



Analysis of Investment Intentions Among Indonesian and Malaysian Students in the Islamic Capital Market Utilizing the Theory of Planned Behavior

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Abstract

This study aims to identify factors that influence the investment interest of Indonesian and Malaysian students in the Islamic Capital Market, using the Theory of Planned Behavior as its theoretical framework. This study uses a non-probability sampling method, specifically purposive sampling, in addition to a quantitative approach. Data were collected from 191 respondents, consisting of students from various universities in Indonesia and Malaysia. Data analysis was conducted using Structural Equation Modeling (SEM) with Partial Least Squares (PLS). The study results indicate that Islamic financial knowledge influences attitudes toward investment, subjective norms, and perceived behavioral control, all of which influence investment intention. This study distinguishes itself from previous studies in terms of demographics, time frame, and specific samples of Indonesian and Malaysian students. However, this study has limitations. The sample size is limited. Therefore, the results may not fully reflect the perspectives of all students in Indonesia and Malaysia.

Keywords: TPB; Investment Intention; Islamic Capital Market; Students.

INTRODUCTION

One way to achieve our financial goals is through investing. Investment can be described as the act of delaying current sacrifices to gain future benefits or

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returns. Investments are generally divided into two categories: real investments, such as gold, land, and buildings, and financial assets, such as stocks, bonds, and deposits. Each investment type comes with varying returns and risks, depending on the issuer. People with healthy financial conditions tend to be more familiar with and attracted to investment opportunities. However, in this era of disruption, an increasing amount of information piques people's interest in investing (Maharani & Saputra, 2021).

Currently, the Islamic finance industry is experiencing significant growth, driven by the idea of revitalizing a financial system based on sharia principles. This expansion is not limited to Islamic banking but has also extended to other sectors, including the Islamic Capital Market, Islamic insurance (*takaful*), Islamic financing, Islamic microfinance institutions, and Islamic pawnshops.

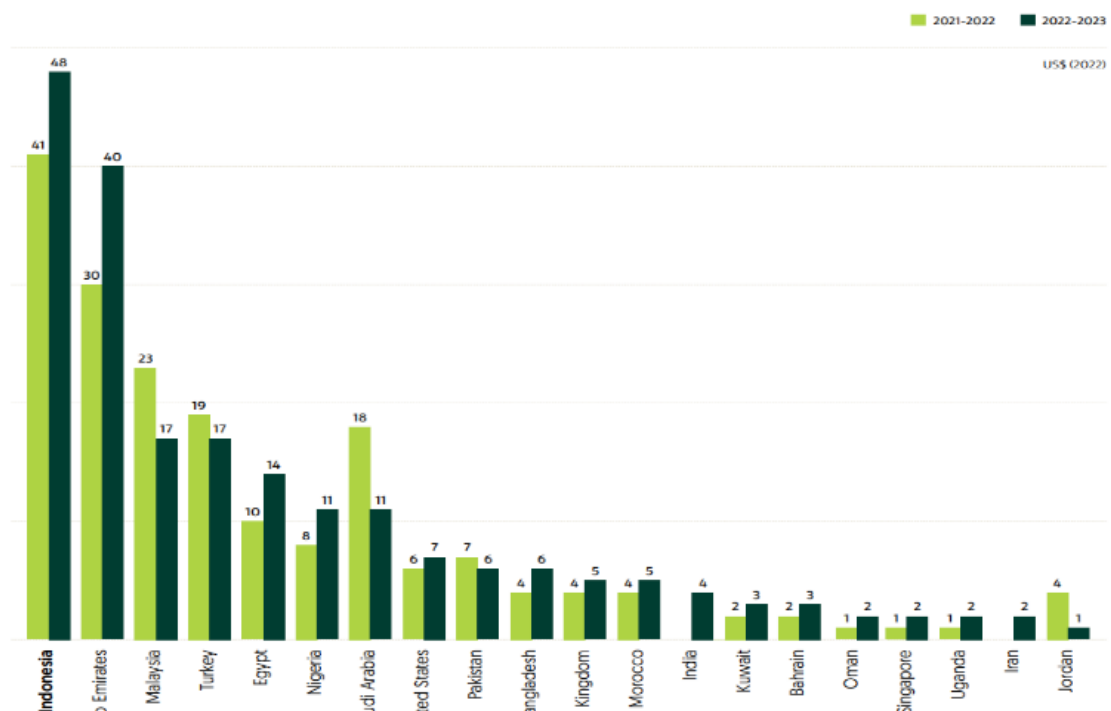
The capital market is the long-established investment instrument used to channel excess capital within the financial services sector as a vital role in connecting those with surplus funds, known as investors—whether from corporations or governments—with those in need of funding, such as issuers who may require capital for capitalization, development, business expansion, or other corporate needs (Soemitra, 2021). Besides that, the Islamic Capital market adheres to sharia principles in every economic transaction and is free from prohibited elements. In terms of investment and financial activities from a sharia perspective, the primary principle focuses on the investor's activities toward the business owner. The goal is to empower business owners to run their operations and to enable investors to gain specific benefits (Khairan, 2019). Engaging in sharia-compliant investments provides an opportunity to foster the growth of the Islamic economy by engaging in the Islamic Capital Market.

According to Antonio et al. (2013), as two countries where the majority of the population is Muslim, Indonesia and Malaysia have seized the opportunity to establish sharia-based capital markets. Malaysia pioneered the creation of the sharia index in 1992, while Indonesia followed eight years later with the launch of the Jakarta Islamic Index (JII) in 2000. Both countries have continued to see growth in their Islamic Capital Markets. According to the 2023 State of the Global Economy Report (SGIE Report), Malaysia has maintained its top position for 10 consecutive years, followed by Indonesia. Furthermore, investments related to the Islamic economy have seen significant growth, with investment value rising



by 128%, from US\$11.4 billion in 2021/2022 to US\$25.9 billion in 2022/2023. The number of transactions related to mergers and acquisitions (M&A), private equity (PE), and venture capital (VC) increased from 199 in 2021/2022 to 220 in 2022/2023. Indonesia and the UAE continue to hold the top two positions for Islamic economy-related investments, while Turkey and Malaysia are tied for third place (Liaqat, 2023).

Top 20 countries by Number of M&A, VC, and PE Deals in 2022/23



With their progressive mindset, students should already understand the importance of investing for their future. In Indonesia, the rise in student investors has been facilitated by education in the capital market to help avoid activities resembling gambling. To address this need, the Indonesia Stock Exchange (IDX), in collaboration with its members, holds seminars, workshops, talk shows, training sessions, and capital market school programs at universities. Furthermore, campus investment galleries provide a valuable resource for improving students' knowledge and understanding of the capital market (Gainau, 2020). Research by Shaari et al. (2013) found that financial literacy and education improve

students' analytical abilities in Malaysia. Similarly, from a sharia perspective, enhancing financial literacy related to sharia-compliant investments are crucial for students. According to Pangestika and Rusliati (2019), limited knowledge and lack of access to information about investing in the capital market remain important barriers. In today's context, understanding speculation is essential to prevent losses because of negligence and ensure economic stability moving forward. Individuals with strong financial understanding and who can manage their finances are better equipped to handle various situations, whether securing profits or managing losses. A study by Agustin and Hakim (2022) involving 100 students found that sharia financial literacy and knowledge significantly impact students' intention to invest.

According to Ajzen (2011), a person's decision or intention to take action is affected by their attitude, subjective norms, and perceived behavioral control. Prior research by Pahlevi and Oktaviani (2018) found that investment intentions are heavily affected by attitudes, subjective norms, and perceived behavioral control. On the other hand, a study by Nugraha and Rahadi (2021) revealed that only attitudes significantly impacted investment intentions, while perceived behavioral control and subjective norms did not have an effect. Conversely, research by Zandi et al. (2021), which involved 240 students and workers in Malaysia, found that both attitudes and subjective norms significantly influenced investment intentions. Other findings showed that only perceived behavioral control significantly influenced investment intentions, while subjective norms had no effect. Additionally, research by Hermita et al. (2023) indicated that subjective norms, attitudes, and perceived behavior are important in influencing students' intentions to invest in the Islamic capital market.

Although Indonesia and Malaysia have Muslim-majority populations, student participation in investing in Islamic capital markets is relatively low. This phenomenon indicates a gap in understanding the factors influencing this behavior, which can be seen as a symptom. Previous research has highlighted that many studies focus on individual investment intentions, particularly in Islamic capital markets. However, such research remains limited, especially among students in Indonesia and Malaysia, countries with predominantly Muslim populations. This study distinguishes itself from previous research regarding demographics, time frame, and the sample examined, specifically consisting of



students from Indonesia and Malaysia. This research aims to address the existing gap by utilizing the Theory of Planned Behavior as an analytical framework.

This study aims to examine how factors like knowledge of Islamic finance, attitudes toward investment, subjective norms, and perceived behavioral control affect students' investment intentions in the Islamic Capital Market. This research seeks to enhance investment intentions as well as raise public awareness and knowledge among Indonesian and Malaysian students about the Islamic capital market, particularly in countries with Muslim-majority populations.

LITERATURE REVIEW

Theory of Planned Behavior

According to Ajzen and Fishbein (2002), the theory of planned behavior builds upon the theory of reasoned action, which was created to overcome some limitations of the original model, particularly when individuals do not have full control over their actions. Similar to the previous theory, the main focus of this theory is the person's intention to participate in a specific behavior. The factors motivating behavior are reflected in intentions, which show how much effort individuals are willing to exert to engage in that behavior. Generally, the stronger the intention to perform a behavior, the greater the likelihood of its execution. However, it should be clarified that behavioral intention can only translate into actual behavior when the behavior is under volitional control, allowing individuals to decide freely whether to engage in or refrain from that behavior (Ajzen, 1991).

This theory suggests that three primary factors influence human behavior. First, behavioral beliefs encompass an individual's ideas about the consequences of their actions, which can foster either negative or positive attitudes toward the behavior. Next, normative beliefs relate to how a person perceives others' expectations, creating a sense of social pressure or subjective norms surrounding that behavior. Lastly, control beliefs involve a person's assessment of factors that might facilitate or impede their ability to carry out the behavior, leading to a sense of perceived behavioral control. As a result, these three elements ultimately influence a person's intentions to act (Ajzen, 2002).



Islamic Financial Knowledge

According to Durband et al. (2019), financial knowledge is defined as an individual's fundamental understanding of financial principles and processes, as well as the capability to use that understanding to address financial challenges. In other words, understanding encompasses two dimensions: foundational knowledge and the ability to address financial issues. According to Halim and Astuti (2015), financial knowledge refers to understanding, analyzing, and managing financial matters, enabling individuals to make well-informed decisions and prevent financial setbacks. It is defined as possessing and understanding information about financial matters. Financial knowledge is essential for understanding financial concepts and products (Dew & Xiao, 2011).

Islamic financial knowledge includes understanding financial concepts and practices that adhere to Sharia principles based on the Qur'an and the Sunnah (Setiawati et al., 2018). Based on this definition, it can be understood that it has a similar meaning to conventional financial knowledge; it involves an individual's foundational understanding of financial concepts and procedures for resolving financial issues. However, it is specifically grounded in Islamic principles and refers to the Qur'an and the Sunnah. In this study, Islamic financial knowledge will primarily focus on sharia-compliant investments.

Islamic financial knowledge also encompasses a person's ability to manage financial resources, which is aimed at overseeing personal finances through knowledge, skills, attitudes, and financial behaviors based on Islamic teachings. Research by Hamza and Arif (2019) indicates that financial knowledge significantly influences investment decisions. Similarly, a study by Lim and Qi (2023) found a significant positive impact of financial knowledge on investment intentions. Research conducted by Elfahmi et al. (2020) also yielded positive results in this regard. When applied, Islamic financial knowledge can similarly yield beneficial outcomes. However, a study involving students by Ummah et al. (2021) produced contrasting results, indicating that Islamic financial knowledge did not significantly affect investment intentions.

The Theory of Planned Behavior (TPB) indicates that an individual's intentions are affected by their attitudes, the norms of those around them, and their perceived control over the behavior (Ajzen, 1991). Previous research (She



et al., 2024) found a significant positive relationship between financial knowledge and the TPB construct. Similarly, Sobaih and Elshaer (2023) revealed that financial knowledge significantly positively affects attitudes toward risky investments, subjective norms, and perceived behavioral control. Based on this discussion, the following hypotheses are proposed:

H₁: Islamic Financial Knowledge has a positive influence on Attitudes toward Investment.

H₂: Islamic Financial Knowledge has a positive influence on Subjective Norms.

H₃: Islamic Financial Knowledge has a positive influence on Perceived Behavioral Control.

Attitude toward Investment

According to Ajzen (1991), the definition of attitude refers to the individual evaluating a behavior positively or negatively. From an investment perspective, It can be inferred that investors who have a positive outlook on investing are more inclined to take action by intending to invest (Nugraha & Rahadi, 2021). This is further supported by research conducted by Zandi et al. (2021), which indicates a positive relationship between attitudes toward investment and investment intention. Additionally, Gainau (2020) showed that attitude significantly affects investment intention. Nugraha and Rahadi (2021) also found that attitude influences investment intentions. Similarly, research by Sondari and Sudarsono (2015) and Ningtyas and Istiqomah (2021) yielded the same results, confirming that attitude affects investment intention in the Islamic Capital Market.

H₄: Attitude toward Investment has a positive influence on Investment Intention.

Subjective Norms

According to Ajzen (1991), the definition of subjective norms refers to social effects that influence behaviors. In the context of investing, a student's decision or intention to invest is influenced by those around them, such as peers, role models, parents, educators, and others (Gainau, 2020). This notion is supported by research conducted by Zandi et al. (2021), which found that subjective norms significantly affect investment intention. Similarly, Sobaih and Elshaer (2023)

reported that subjective norms also influence investment intention. Furthermore, research by Sondari and Sudarsono (2015) yielded comparable findings, indicating that subjective norms greatly impact investment intention. Additionally, studies by Wulandari et al. (2023) and Hermita et al. (2023) showed that subjective norms have a positive effect on investment intention in the Islamic Capital Market.

H₅: Subjective Norms have a positive influence on Investment Intention.

Perceived Behavior Control

According to Ajzen (1991), perceived behavioral control refers to how capable a person feels in managing their behavior, which is influenced by the perceived ease or difficulty of performing a specific action. This perception is shaped by previous experiences, as well as the challenges and obstacles one may encounter. Ariff et al. (2010) indicate that this control encompasses factors such as self-confidence, comfort, education, mastery, skills, and capabilities. Therefore, a student's investment behavior and intentions are influenced by resources like education, skills, confidence, comfort, and the opportunities, obstacles, and challenges they face. This is supported by Sobaih and Elshaer (2023), whose research found that perceived behavioral control significantly affects investment intention. Additionally, Gainau (2020) confirms that perceived behavioral control influences investment intention. Similarly, research by Ningtyas and Istiqomah (2021) indicates that perceived behavioral control impacts investment intention in the Islamic Capital Market.

H₆: Perceived Behavioral Control has a positive influence on Investment Intention.

RESEARCH METHOD

Sampling

The population for this study comprises all students from universities in Indonesia and Malaysia who are knowledgeable about the Islamic Capital Market. The research employs a non-probability sampling method, specifically purposive sampling, with the following criteria: active students at universities in Indonesia or Malaysia, aged 18-25 years, Muslim, and familiar with the Islamic Capital



Market. An online questionnaire was distributed, resulting in 191 respondents from universities in both Indonesia and Malaysia.

Students from Malaysian universities included those from Universiti Utara Malaysia, Universiti Teknologi Mara, Universiti Kuala Lumpur, Universiti Malaysia Sabah (Labuan International Campus), and Universiti Kebangsaan Malaysia. Meanwhile, students from Indonesian universities included participants from Universitas Muhammadiyah Prof. Dr. Hamka, Universitas Brawijaya, Universitas Mercu Buana, Universitas Muhammadiyah Surakarta, Universitas Gadjah Mada, Universitas Pakuan, Universitas Bina Sarana Informatika, Universitas Islam Negeri Jakarta, Universitas Terbuka, Institut Teknologi Bandung, Universitas Singaperbangsa Karawang, Institut Agama Islam Tazkia, Politeknik Negeri Jakarta, Universitas Pancasila, Universitas Muhammadiyah Jakarta, Universitas Mulawarman, and Universitas Sahid Jakarta.

Research Design

This research employs a quantitative methodology utilizing primary data. The study is based on the Theory of Planned Behavior outlined by Ajzen (1991). According to Hair et al. (2014), conducting factor analysis with a sample size of fewer than 50 observations is highly discouraged. Typically, the optimal sample size is 100 or more, with a recommendation of having at least five times the number of observations compared to the evaluated variables or a ratio of 10:1, which is preferable for sample size (Alvina et al., 2024). Given this context, the study includes 18 indicator variables, resulting in a required sample size of 180 respondents (18 indicators \times 10 = 180).

The questionnaire for this research consists of two sections. The first section asks respondents to provide demographic data, including their full name, gender, nationality, university, and age. The second section requests respondents to answer questions related to each variable construct, which include Islamic Financial Knowledge, Attitude toward Investment, Subjective Norms, Perceived Behavior Control, and Investment Intention. This study features 18 questionnaire indicators associated with the variable constructs. Additionally, a five-point Likert scale (1-5) is used, where 1 represents “strongly disagree,” and 5 represents “strongly agree.”



Data Analysis Method

This research employs Structural Equation Modeling (SEM) with Partial Least Squares (PLS) for data analysis. The evaluation of the model involves two main steps: the measurement model (outer model) and the structural model (inner model). This research focuses on assessing the measurement model using a reflective approach to evaluate the relationships between theoretical constructs and assess the validity and reliability of their measurements.

Table 1: Measurement Items

Construct	Item	References
Islamic Financial Knowledge	IFK1 I know the different types of investment in Islamic Finance.	(Sobaih & Elshaer, 2023)
	IFK2 I know the impact of investing in the Islamic Capital Market.	
	IFK3 I know where to get the information regarding Sharia investment.	
Attitude toward Investment	ATI1 I am interested in investing money in the Islamic Capital Market.	(Sobaih & Elshaer, 2023)
	ATI2 If I have the chance and resources, I will start my own investment in the Islamic Capital Market.	
	ATI3 Investing money in the Islamic Capital Market will greatly benefit me.	
	ATI4 Investing money in the Islamic Capital Market will bring more advantages than disadvantages.	
Subjective Norms	If you decide to invest in the Islamic Capital Market, will the people closest to you and the environment agrees with the decision?	(Sobaih & Elshaer, 2023)
	SN1 Your immediate family	



	SN2	Your Friend	
	SN2	Your Colleagues	
Perceived Behavioral Control	PBC1	I think my investment will be highly successful.	(Sobaih & Elshaer, 2023)
	PBC2	I think I have enough qualities to carry out investments myself.	
Investment Intention in the Islamic Capital Market	PBC3	Knowledge and experience motivate me to invest in the sharia capital market.	(Ratu Balqis Malzara et al., 2023)
	PBC4	I can easily access supporting information for investment in the sharia capital market.	
	II1	I hope to invest in investment in the sharia capital market.	
	II2	I want to invest in investment in the Islamic Capital Market.	
	II3	I intend to invest in the Islamic Capital Market.	
	II4	I intend to switch from conventional investment to investment in the sharia capital market.	

Source: Processed data by author, 2024

RESULTS AND DISCUSSION

Results

Demographic

Table 2 presents demographic information about the respondents, including gender, age, nationality, and university. The data reveals that 52.4% of respondents are female, while 47.6% are male. Among the respondents, 63.9% are Indonesian nationals, and 36.1% are Malaysian nationals. Regarding age,



80.6% of respondents fall within the 18–22-year range, while 19.4% are aged 23–25. Regarding university affiliation, most respondents are from universities in Indonesia (58%) and Malaysia (42%).

Table 2: Demographic Characteristic

Demographic Items	Categories	Frequency(n)	Percentage(%)
Gender	Male	91	47.6%
	Female	100	52.4%
Nationality	Indonesian	122	64.9%
	Malaysian	69	36.1%
Age	18-22	154	80.6%
	23-25	37	19.4%
University	Indonesia	110	58%
	Malaysia	81	42%

Source: Processed data by author, 2024

Reflective Measurement Models

In SEM PLS, the testing process begins with reflective measurement models. Table 3 displays the results from the analysis, considering both reliability and convergent validity, which include aspects such as loading, Cronbach's Alpha, Average Variance Extracted (AVE), and Composite Reliability (CR). Based on the research by Sarstedt et al. (2017), the minimum value for loading should be above 0.7, indicating that the indicators possess good reliability. Cronbach's Alpha should be greater than 0.7 to evaluate the internal consistency of the constructs. Additionally, the acceptable value of CR must be above 0.7 to achieve good construct reliability. Then, the Convergent validity requires that the CR of each construct exceeds its AVE and that the AVE of each construct must be greater than 0.5.

In Table 3, the first construct is Islamic Financial Knowledge, which demonstrates a Cronbach's Alpha of 0.814, an AVE of 0.728, and a CR of 0.889, with loading values of IF1 at 0.863, IF2 at 0.848, and IF3 at 0.848. The second construct, Attitude Toward Investment, shows a Cronbach's Alpha of 0.891, an AVE of 0.753, and a CR of 0.924, with item loadings of ATI1 at 0.857, ATI2 at



0.890, ATI3 at 0.879, and ATI4 at 0.845. For the third construct, Subjective Norms, Cronbach's Alpha is 0.840, the AVE is 0.758, and the CR is 0.904, with loading values of SN1 at 0.831, SN2 at 0.895, and SN3 at 0.884. The fourth construct, Perceived Behavioral Control, has a Cronbach's Alpha of 0.811, an AVE of 0.638, and a CR of 0.875, with item loadings of PBC1 at 0.802, PBC2 at 0.774, PBC3 at 0.822, and PBC4 at 0.796. Finally, the dependent variable, Investment Intention, shows a Cronbach's Alpha of 0.896, an AVE of 0.763, and a CR of 0.928, with loading values of II1 at 0.872, II2 at 0.848, II3 at 0.904, and II4 at 0.869. Overall, all constructs have met the minimum standards for loading, Cronbach's Alpha, AVE, and CR, as outlined by Sarstedt et al. (2017).

Table 3: Convergent Validity

Construct	Items	Loading	Cronbach's Alpha	AVE	CR
Islamic Financial Knowledge	IF1	0.863	0.814	0.728	0.889
	IF2	0.848			
	IF3	0.848			
Attitude Toward Investment	ATI1	0.857	0.891	0.753	0.924
	ATI2	0.890			
	ATI3	0.879			
	ATI4	0.845			
Subjective Norms	SN1	0.831	0.840	0.758	0.904
	SN2	0.895			
	SN3	0.884			
Construct	Items	Loading	Cronbach's Alpha	AVE	CR
Perceived Behavioral Control	PBC1	0.802	0.811	0.638	0.875
	PBC2	0.774			
	PBC3	0.822			
	PBC4	0.796			
Investment Intention	II1	0.872	0.896	0.763	0.928
	II2	0.848			
	II3	0.904			
	II4	0.869			

Source: Processed data by author, 2024



In addition to being assessed through reflective reliability and convergent validity, constructs are also evaluated for discriminant validity to determine how empirically distinct a construct is in terms of its correlation and the uniqueness of its indicators compared to other constructs (Sarstedt et al., 2017). To assess discriminant validity in SEM-PLS, the Heterotrait-Monotrait (HTMT) ratio correlation analysis should be utilized (Henseler et al., 2015). According to their findings, the threshold for HTMT is set at 0.90. If the discriminant validity exceeds this value, it indicates a lack of discriminant validity. The findings presented in Table 4 indicate that all constructs are below the specified threshold, suggesting that discriminant validity is adequate.

Table 4: Discriminant Validity (HTMT)

Construct	ATI	II	IFK	PBC	SN
Attitude toward Investment					
Investment Intention	0.807				
Islamic Financial Knowledge	0.637	0.547			
Perceived Behavioral Control	0.619	0.677	0.693		
Subjective Norms	0.607	0.689	0.518	0.654	

Source: Processed data by author, 2024

Structural Model Assessment

Next, examining the potential collinearity issues among the constructs is essential in the Structural Model Assessment. Collinearity occurs when two or more independent variables in a model are highly correlated, making it challenging to evaluate the separate effects each independent variable has on the dependent variable. The results indicate that each variable has a Variance Inflation Factor (VIF) of less than 5, based on Sarstedt et al. (2017). This indicates that multicollinearity is not a significant concern in this research approach. Thus, these variables have minimal multicollinearity, based on the Inner VIF Value Test results. Next is to evaluate the model's predictive ability based on the coefficient of determination (R^2), validated redundancy cross (Q^2), path coefficients, and their significance (Sarstedt et al., 2017).



Table 5 presents the results of the Structural Model Assessment, where the six hypotheses were formulated to test the significance level of the t-statistics. There is a positive relationship between IFK and ATI ($\beta = 0.543$, t value = 7.011, $p < 0.05$). Additionally, a positive relationship is found between IFK and SN ($\beta = 0.429$, t value = 5.262, $p < 0.05$), as well as between IFK and PBC ($\beta = 0.574$, t value = 9.900, $p < 0.05$). Furthermore, a positive relationship exists between ATI and II ($\beta = 0.503$, t value = 5.079, $p < 0.05$), as well as between SN and II ($\beta = 0.186$, t value = 3.033, $p < 0.05$), and between PBC and II ($\beta = 0.232$, t value = 2.421, $p < 0.05$). All six hypotheses show t-values greater than 1.645, indicating a positive correlation among all variables. The path coefficients are considered significant at a 5% probability of error if zero is not included in the 95% confidence interval, which has been corrected for bias and accelerated. For example, a path coefficient of 0.15 would be deemed significant since zero is not within that confidence interval, with a lower bound of 0.1 and an upper bound of 0.2. Conversely, the coefficient would be considered insignificant if the 95% confidence interval has a lower bound of 0.05 and an upper bound of 0.35 (Sarstedt et al., 2017). Based on Table 6, it can be observed that each construct possesses significant path coefficients, as zero is excluded from the interval.

Next, the predictive utility of the model is evaluated through the coefficient of determination (R^2). According to Hair et al. (2019), the criteria for R^2 values are as follows: an R^2 value of 0.75 is considered strong, 0.50 is moderate, and 0.25 is weak, while an R^2 value of 0.90 or higher typically indicates overfitting. The analysis reveals that the variable Islamic Financial Knowledge (IFK) accounts for 29.5% (0.295) of the variance in Attitude Toward Investment (ATI), 18.4% (0.184) in Subjective Norms (SN), and 32.9% (0.329) in Perceived Behavioral Control (PBC). Furthermore, the combined variables of ATI, SN, and PBC contribute to 61.1% (0.611) of the variance in Investment Intention (II). These findings indicate that the model possesses significant predictive capability, with each construct making a notable contribution to the overall variance analyzed.

Subsequently, the blindfolding method was employed to evaluate the predictive significance of the research model by assessing the Construct Cross-Validated Redundancy (Q^2) and measuring the predictive relevance of the model for the endogenous variables. According to Hair et al. (2019), a Q^2 value greater than 0 indicates the model has good predictive relevance, with values of 0.25

and 0.50 reflecting small, moderate, and high predictive accuracy, respectively, for the PLS path model. The results revealed that the variable Attitude Toward Investment (ATI) has a Q^2 of 0.216, Subjective Norms (SN) has a Q^2 of 0.132, Perceived Behavioral Control (PBC) has a Q^2 of 0.198, and Investment Intention (II) has a Q^2 of 0.452. These findings indicate that each variable possesses adequate and satisfactory predictive relevance.

Table 5: Structural Model Assessment

	Path Coefficient	t - value	95% BCa confidence interval	Significant (p <0.05)?
IFK → ATI	0.543	7.011	[0.378 - 0.691]	Yes
IFK → SN	0.429	5.262	[0.274 - 0.587]	Yes
IFK → PBC	0.574	9.900	[0.419 - 0.657]	Yes
ATI → II	0.503	5.079	[0.280 - 0.662]	Yes
SN → II	0.186	3.033	[0.101 - 0.428]	Yes
PBC → II	0.232	2.421	[0.053 - 0.332]	Yes

Source: Processed data by author, 2024

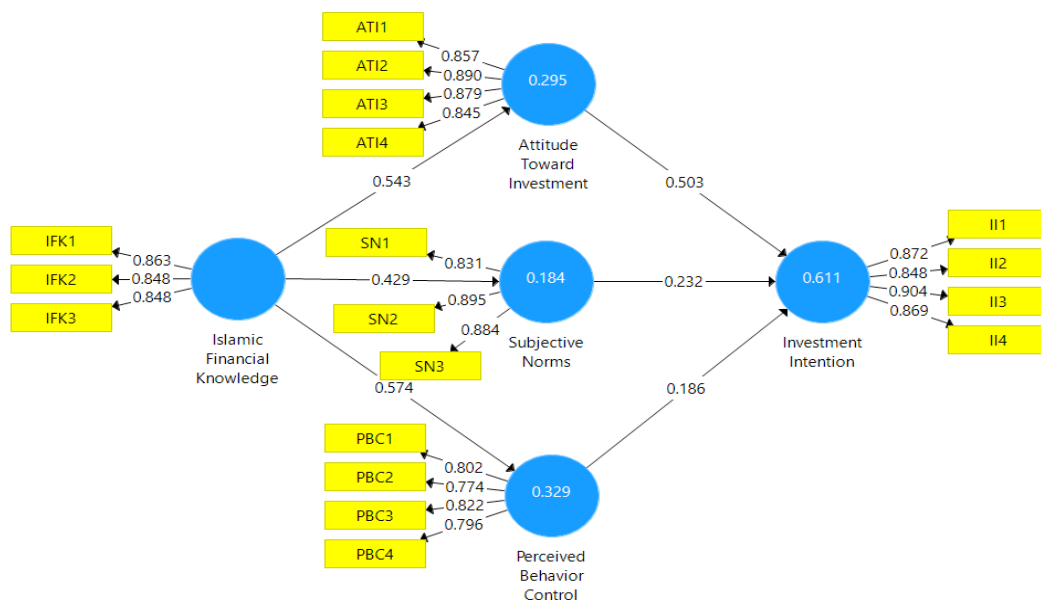


Figure 4: Measurement and Structural Model Analysis



Discussion

This study utilizes the TPB to examine the investment intentions of Indonesian and Malaysian students in the Islamic Capital Market. The findings reveal that factors such as Islamic financial knowledge significantly impact attitudes toward investment, subjective norms, and perceived behavioral control. Furthermore, the variables influencing investment intentions among students in both countries are attitude toward investment, subjective norms, and perceived behavioral control, as shown in Table 6.

This research reveals that Islamic financial knowledge positively affects investment attitudes, subjective norms, and perceived behavioral control. These results are consistent with findings from She et al. (2024), who also observed a notable influence of Islamic financial knowledge on attitudes, subjective norms, and perceived behavioral control. Similarly, the study by Sobaih and Elshaer (2023). supports this conclusion. This validates hypotheses H1, H2, and H3. The Islamic financial knowledge possessed by students in Indonesia and Malaysia encourages a positive self-evaluation regarding their investment attitudes in the Islamic Capital Market. Additionally, Islamic financial knowledge fosters subjective norms among Indonesian and Malaysian students, influencing their social factors in investing in the Islamic Capital Market. Furthermore, it enhances perceived behavioral control, empowering these students to engage in investments within the Islamic Capital Market.

This study indicates that the Indonesian and Malaysian students' intention to invest in the Islamic Capital Market is significantly and positively influenced by their attitude toward investment, perceived behavioral control, and subjective norms. This follows the TPB from Ajzen (1991), which states that attitudes, subjective norms, and perceived behavioral control shape the intention to engage in a behavior. This validates hypotheses H4, H5, and H6. Furthermore, these findings are aligned with prior research by Gainau (2020) and Sobaih and Elshaer (2023), which indicated that those three constructs significantly positively influence investment intentions. It can be concluded that students in Indonesia and Malaysia tend to have the intention to invest in the Sharia Capital Market based on their attitudes toward investment, subjective norms, and perceived behavioral control. These findings could serve as a basis to encourage students in Indonesia and Malaysia, countries with a majority Muslim population, to

cultivate their investment intentions in the Islamic Capital Market through the identified factors.

CONCLUSION

Understanding Islamic financial knowledge among students in Indonesia and Malaysia is essential, as it plays a key role in fostering positive investment attitudes, subjective norms, and perceived behavioral control, all of which shape their intentions to invest in the Islamic Capital Market. This research applies the Theory of Planned Behavior to investigate the influence of attitudes, subjective norms, and perceived behavioral control on Indonesian and Malaysian students' investment intentions within the Islamic Capital Market. The results reveal that Islamic financial knowledge has a positive effect on students' investment attitudes, subjective norms, and perceived behavioral control. Additionally, these elements significantly contribute to students' intentions to invest in the Islamic Capital Market. These elements are crucial in shaping the investment intentions of students in both countries. Students need to develop a well-informed understanding of Islamic financial knowledge to facilitate their participation in investing within the Islamic Capital Market. In order to advance the Islamic Capital Market in Indonesia and Malaysia, it is important to garner support from students as investors.

However, this study has limitations; the sample size is limited to only 191 respondents from two countries, whereas comparing both countries requires a larger sample from the existing population. Therefore, the results may not fully reflect the perspectives of all students in Indonesia and Malaysia. Future research should aim to expand the respondent base to ensure more comprehensive findings and consider incorporating additional variables to obtain more definitive results.



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