

THE EFFECT OF ACCOUNTING INSIGHT, ENTREPRENEURSHIP SPIRIT, AND FINANCIAL LITERACY ON INVESTMENT DECISION MAKING POLYTECHNIC UNGGUL LP3M STUDENTS

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ABSTRACT

The era of globalization is developing very rapidly, in line with economic development. It becomes a challenge because its development requires balancing. One of the things that can be done is by investing. Investment is a must. With investment, someone will earn income. To make an investment there must be a strategy that is carried out. In investing, making investment decisions is very important. One of the things that must be possessed is investment insight. Entrepreneurial spirit is also an important component for investing. Financial literacy as knowledge and skills in managing finances is also necessary. The research aims to determine the effect of accounting insight, entrepreneurial spirit, and financial literacy on investment decision making. Research using quantitative methods. The data were obtained directly from the data source, namely Politeknik Unggul LP3M students. Methods of data collection using survey methods. It was concluded that good accounting knowledge can be used as a basis for consideration in making investment decisions. High entrepreneurial spirit is the basis for making investment decisions. Financial literacy in making investment decisions can only be done by the business actor himself.

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1. INTRODUCTION

The current era of globalization is developing very rapidly, in line with economic development. This is a challenge for everyone because its development requires balancing [1]. One of the things that can be done as development is investment. Investment is now a must. Because by investing, someone will get income. The income earned will make it survive in a conditional economic situation. Investment is an investment activity, generally in the long term for the procurement of complete assets or the purchase of shares and other securities to gain profit. Investment is also mentioned as the initial step for production activities and is one of the factors in increasing the economic growth of the community.

The investment step is one option so that the money you have can increase. Because by investing, the money we have can be used and can provide more benefits in the future. The greater the money we invest, the greater the profit or benefit we will receive in the future. Like research [2] that is to say, through investment activities, funds will rotate and develop according to the type of investment made. In fact, investment is an activity that must be carried out if you have excess funds that cannot potentially be used for a long time. In line with research [3] who said that to improve welfare can be done with investment steps. Because the money invested will grow according to the development of the business unit where the investment is made.

To make an investment, of course there must be a strategy that is carried out. Thus the investment will be successful and the money invested can grow as expected. Don't get caught in a failed investment situation. Hoping that money will grow, it turns out to be lost because of the wrong investment strategy. The rapid development of the global economy must be watched out for because it also has the potential to hinder investment. Not infrequently many investments fail because they are wrong or inappropriate in carrying out investment activities. Therefore the right and accurate strategy must be owned. In addition, they must also have qualified knowledge about what and how the mechanism and how to make investments properly and well. [4] in his research said that the right investment strategy will support investment success. Without the right strategy, it is feared that the investment will fail, and it is not uncommon for investors to suffer losses because they invest without having the right strategy. In line with research [5] which says that investing must be calculated. If a miscalculation will be vulnerable to losses. It would be very unfortunate if the intention to invest, whose aim was to improve the economic

The Effect Of Accounting Insight, Entrepreneurship Spirit, And Financial Literacy On Investment Decision Making Polytechnic Unggul LP3M Students. Miftah Faridh Nasir

situation, turned around causing losses which could have been not small in number. In investing, an investment decision making is very important and must really be considered. In choosing what type of investment to take, investors must understand whether the investment can have a big impact on their finances or just a desire to try. Considerations regarding the percentage of income earned and the percentage of income that will be allocated in choosing the type of investment will definitely be considered carefully by someone who wants to start investing. Determination of the investment decision to be made, both with the type of high risk and the type of low risk is influenced by the size of the return that a person gets in accordance with the level of risk taken. Consideration in determining investment decisions is intended so that these investments can provide significant profits and can minimize losses in the future that may occur on the investment made. Therefore considerations in making investment decisions must go through several stages of evaluation and analysis of the risks that may arise in the investment. As in research [6] which says that if there are risks in investment, investors must be aware of them. Therefore, in investing, you must be observant to see the momentum. The understanding of the situation of the investment target must be thoroughly known. Trial and error must be avoided because it has the potential to cause losses in investment.

There are many fields that can be used as investment alternatives. Not only in stocks, sukuk or bonds, but also in entrepreneurship. Currently, more and more people are investing in entrepreneurship. Entrepreneurship is believed to be able to develop as evidenced by the current number of new types of businesses. The business actors also vary, not only from those who have experience, many business actors are young, young, and even students. The types or fields of business that are managed and run also vary. Some are in the type of food, clothing, and handicraft businesses. This type or field of business can be categorized into small businesses and medium businesses [7]. Where a small business is a productive economic business that stands alone, which is carried out by individuals or business entities that are not branches of companies that are owned, controlled or become part of either directly or indirectly from medium-sized businesses or large businesses that have sales proceeds of between Rp. 300 million up to Rp. 2.5 billion and has a net worth of between Rp. 50 million up to Rp. 500 million. Meanwhile, medium-sized business is a productive economic business that stands alone, which is carried out by individuals or business entities that are not subsidiaries or not branches of companies that are owned, controlled or become part of either directly or indirectly from medium-sized businesses or large businesses with annual sales of up to Rp. 2.5 billion up to Rp. 50 billion and has a net worth greater than Rp. 500 million [8].

To decide on an investment, one of the things that must be possessed is investment insight. Where is accounting insight, namely knowledge about accounting related to the financial statements of a company or business that is carried out which contains records of various transactions that occur during the course of the business, and from this information investors can find out the profit / loss of the business that we get. Accounting insights are useful for providing information and considerations in allocating available resources for making investment decisions. It is important for investors to have good accounting knowledge in order to be able to manage and utilize this insight to then serve as a basis for making investment decisions for the progress of their business. With good accounting insight, business actors can manage their business finances appropriately so that the risk of their business being closed due to lack of accounting insight and poor financial management in the business becomes even lower [9].

Entrepreneurial spirit is also an important component before deciding to invest. Those who are going to invest must have good spirits and not be easily extinguished. Because this spirit is one of the determinants of an investor's success or failure. Those whose enthusiasm is only to try or half measures will be vulnerable to suffering losses when investing. In contrast to those who have earnest enthusiasm or don't give up easily. Where they will have a higher success rate when making investments. [10] stated that someone who has a high entrepreneurial spirit can influence investment decision making related to his business. Where someone who has a high entrepreneurial spirit will see the development of his business so that this information is used as a basis for making investment decisions. Research [11] says that investors who have a high entrepreneurial spirit tend to do anything to develop their business. The higher one's entrepreneurial spirit, the higher the curiosity one has.

Financial literacy is knowledge and skills in managing finances. The existence of this awareness has a long-term effect that can maintain financial conditions to remain stable, safe and prosperous. Financial literacy is financial literacy. Financial literacy is perception or knowledge based on information provided by other people which is used as a benchmark for an individual for all activities to be carried out. In the investment context, subjective norms are interpreted as a person's view of social pressures that affect a person's judgment in carrying out activities in the investment sector. [12] said that financial literacy can

affect the investment decisions that someone will make. This is because the experience and knowledge of other people regarding the investments made are used as the basis for one's behavior to make investments [13].

The study aims to determine the effect of accounting insight, entrepreneurial spirit, and financial literacy on investment decision making for Politeknik Unggul LP3M students. Politeknik Unggul LP3M students are currently motivated to become entrepreneurs [14]. So don't just think about working in administrative fields. But it is directed to become an active business actor through investment activities. Politeknik Unggul LP3M believes that with the right method and qualified strategy, Politeknik Unggul LP3M students will become good and successful investors and business actors [15]. This research is different from other studies because the variables are the effects of accounting insight, entrepreneurial spirit, and financial literacy. Where all of these variables are emphasized in the Politeknik Unggul LP3M. This research is also different because it was studied by students at the Politeknik Unggul LP3M. This research must be carried out because currently students must be used as active business actors. It is no longer just limited to being an employee. This research must be carried out because currently entrepreneurial activities are growing rapidly and the prospects are also very good. It is hoped that by conducting this research, it will be seen whether accounting insight, entrepreneurial spirit, and financial literacy have an effect on influencing students to invest. Thus the results can also be used as a reference to improve students' abilities in investment activities and business actors.

2. METHOD

Research using quantitative methods. Where the data is in the form of numbers that can be measured with certainty. The results of the measurements will be analyzed. The research variables consist of independent variables and dependent variables. The data used is primary data type. The main data was obtained directly from the data source, namely Politeknik Unggul LP3M students. Methods of data collection using survey methods. Data Analysis Techniques with validity and reliability tests. Data analysis method with descriptive analysis and classical assumption test. Hypothesis test with multiple linear regression, determinant test, and partial significant test [16].

3. RESULT AND DISCUSSION

Sample Distribution

There were 60 questionnaires distributed, a total of 52 questionnaires that could be processed for analysis and 8 questionnaires that did not return.

Table 1. Sample Distribution

Amount	%	Information
60	100	Spread
8	13	Not return
52	87	Used

Characteristics of Respondents based on gender

The gender of students who filled out the questionnaire was 61.5% male and 38.5% female.

Table 2. Characteristics of Respondents

Gender	Amount	%
Male	32	61.5
Female	20	38.5
Total	52	100

Accounting Insights

The results for accounting insight are as follows:

Table 3. Accounting Insights

Question To	True	%	False	%
1, 2, 3, 4	44, 45, 44, 34	85, 87, 85, 65	8, 7, 8, 18	15, 13, 15, 35
5, 6, 7, 8	40, 36, 18, 25	77, 69, 35, 48	12, 16, 34, 27	23, 31, 65, 52

Based on the table above, it is known that 85% of respondents answered question 1 correctly and 15% of respondents answered incorrectly and did not know. 87% answered correctly and 13% answered incorrectly and did not know the second question. Question 3, 44 85% answered correctly and 15% answered incorrectly and did not know. Question 4, 65% answered correctly and 35% answered incorrectly or did not know. Question 5, 77% answered correctly and 23% answered incorrectly or did not know. Question 6, 69% answered correctly and 31% answered incorrectly or did not know. 7th question, 35% answered correctly and 65% answered incorrectly or did not know. Question 8, 48% answered correctly and 52% answered incorrectly or did not know.

Entrepreneurial Spirit

The results for the entrepreneurial spirit are as follows:

Table 4. Entrepreneurial Spirit

Question To	STS	%	TS	%	N	%	S	%	ss	%
1,2,3	0,0,0	0,0,0	0,0,0	0,0,0	13,21,1	25,40,3	21,15,2	40,29,4	18,16	35,31,2
4,5	0,12	0,23	1,12	2,23	6,28,14	1,54,27	1,17,14	0,33,27	15,6,0	9,12,0
6,7,8	8,0,0	15,0	2,0,0	4,0,0	24,21,1	46,40,2	14,22,2	27,42,3	4,9,19	8,7,37
9,10	0,0	0,0,0	0,0	0,0	3,12,11	5,23,21	0,17,22	8,33,42	23,19	44,37

Based on the table above, question 1 35% strongly agree if they have an entrepreneurial spirit, 40% agree, and 25% are neutral. 2nd question, 31% strongly agree that they have an entrepreneurial spirit, 29% agree, and 40% are neutral. Question 3, 29% strongly agree that they have an entrepreneurial spirit, 40% agree, and 31% are neutral. Question 4, 12% strongly agree that they have an entrepreneurial spirit, 33% agree, 54% are neutral, and 2% disagree. Question 5, 27% agree that they have an entrepreneurial spirit, 27% are neutral, 23% disagree, and 23% strongly disagree.

Question 6, 8% strongly agree that they have an entrepreneurial spirit, 27% agree, 46% are neutral, 4% disagree, and 15% strongly disagree. Question 7, 17% strongly agree that they have an entrepreneurial spirit, 42% agree, and 40% are neutral. Question 8, 37% strongly agree that they have an entrepreneurial spirit, 38% agree, and 25% are neutral. Question 9, 44% strongly agree they have an entrepreneurial spirit, 33% agree, and 23% are neutral. The 10th question, 37% strongly agree that they have an entrepreneurial spirit, 42% agree, and 21% are neutral.

Financial Literacy

The results for financial literacy are as follows:

Table 5. Financial Literacy

Question To	STS	%	TS	%	N	%	S	%	ss	%
1,2	0,3	0,6	3,4	6,8	12,15	23,28	20,26	38,50	17,4	33,8
3,4	0,8	0,15	2,6	4,12	5,18	10,35	19,19	37,37	26,1	20,2

Based on the table, in the first question 33% strongly agree that financial literacy influences decision making, 38% agree, 23% are neutral, and 6% disagree. Question 2, 8% strongly agree that financial literacy influences decision making, 50% agree, 28% are neutral, 8% disagree, and 6% strongly disagree. Question 3, 20% strongly agree that financial literacy influences decision making, 37% agree, 10% are neutral, and 4% disagree. Question 4, 2% strongly agree that financial literacy influences decision making, 37% agree, 35% are neutral, 12% disagree, and 15% strongly disagree.

Partial Test (t)

The results for the partial test are as follows:

Table 6. Partial Test

Variable	B	Std Er	Beta	T	Sig	Tc	VIF
x1	,324	,139	,441	2,326	,024	,232	4,307
x2	,311	,154	,347	2,018	,049	,281	3,556
x3	,040	,263	,023	,153	,879	,381	2,626

The t_{count} value is 2.326 and the significant level is 0.024. It was concluded that the accounting insight variable significantly influences the investment decision making of Politeknik Unggul LP3M Students. This is because the $t_{\text{count}} > t_{\text{table}}$ and the significance level is below 0.05. Therefore H_1 is accepted and H_0 is rejected.

The t_{count} value is 2.018 and the significant level is 0.049. So it can be concluded that the entrepreneurial spirit variable has a significant effect on accounting insights in making investment decisions for Politeknik Unggul LP3M Students. This is because the t_{count} value is $> t_{\text{table}}$ value and the significance level is below 0.05. Therefore H_2 is accepted and H_0 is rejected.

The t_{count} value is 0.153 and the significant level is 0.879. So it can be concluded that the financial literacy variable has no significant effect on accounting insights in making investment decisions for Politeknik Unggul LP3M Students. This is because the value of $t_{\text{count}} < t_{\text{table}}$ and the significance level is above 0.05. Therefore H_0 is accepted and H_3 is rejected.

Discussion

Based on the test, it shows that the t_{count} on the accounting insight variable is 2.326 and a significant level is 0.024. So it can be concluded that the accounting insight variable has a positive and significant influence on financial literacy in making investment decisions for Politeknik Unggul LP3M Students because its significance is below 0.05. The accounting insight referred to in this study is knowledge regarding matters related to financial reports, cost accounting, financial ratios, and the methods used for valuing business investments. Where accounting insights can be obtained through formal learning both at school and in tertiary institutions and through special training. The research above shows that Politeknik Unggul LP3M Students already have accounting insights related to financial statements, cost accounting, financial ratios, and the methods used in investment valuation, thus encouraging them to use financial literacy in making investment decisions. With good accounting knowledge, Politeknik Unggul LP3M students can record financial reports properly and can separate business capital from their personal money, and can understand the contents of the accounting information. Where the output of recording the financial statements is then used as a basis for assessing and considering investment decisions to be made. Apart from that, according to the author, it is necessary for Politeknik Unggul LP3M Students to further improve understanding related to financial ratios and investment valuation methods. This is because financial ratios can be used as information related to business performance and the financial capacity of the business owned, as well as investment valuation methods can be used as a basis for knowing the amount of profit that must be invested and whether the amount is feasible to invest in order to obtain maximum returns. In accordance with research conducted by [17] which states that accounting insight has a positive and significant effect on the use of accounting information in making investment decisions to be made.

Based on the test results show that the t_{count} value on the entrepreneurial spirit variable is 2.018 and the significant level is 0.049. It can be concluded that the entrepreneurial spirit variable has a positive and significant influence on the use of financial literacy in making investment decisions for Politeknik Unggul LP3M Students because its significance is below 0.05. The spirit of entrepreneurship referred to in this study is the courage of Politeknik Unggul LP3M students in taking risks, innovating, being confident in their business, oriented towards results and the future, and being responsible for the business they manage. The research above shows that Politeknik Unggul LP3M Students have an entrepreneurial spirit related to the courage to take risks, innovate, be confident in their business, result-oriented and future-oriented, and have a responsible attitude towards the business being managed so as to encourage them to use accounting information in making investment decisions. The results of this study prove that a person's high entrepreneurial spirit affects the high use of accounting information in accounting decision making. This is because if business actors have a high entrepreneurial spirit, then they tend to have a desire to increase the scale of their business which then this desire can trigger business actors to use accounting insights which serve as the basis for making investment decisions. Accounting insight here is used by business actors as a tool to see the financial condition of their business and the amount of profit earned during the course of the business being carried out. In addition, according to the author, it is necessary for Politeknik Unggul LP3M Students to further enhance the spirit of entrepreneurship related to the courage to take risks and innovate in business. This is necessary so that Politeknik Unggul LP3M Students can increase competitiveness in business competition and increase business productivity, besides that Politeknik Unggul LP3M Students can provide something interesting and different from other businesses so as to attract buyers and increase the amount of marketing. The results of this study are consistent with research conducted by [18] which states that the spirit of entrepreneurship has a positive

and significant effect on accounting insights in making investment decisions to be made. However, the results of this study are inconsistent with research conducted by [19] which states that the spirit of entrepreneurship does not have a positive and significant effect on the use of financial literacy in making investment decisions.

Based on the test, it shows that the t_{count} on the financial literacy variable is 0.153 and a significant level is 0.879. It is concluded that the financial literacy variable does not have a positive and significant influence on the use of financial literacy in making investment decisions for Politeknik Unggul LP3M Students because its significance is above 0.05. The financial literacy referred to in this study is the support and advice provided by family and friends of Politeknik Unggul LP3M Students on the use of financial literacy in making investment decisions. There is no effect of the financial literacy variable on accounting insights in making investment decisions for Politeknik Unggul LP3M Students because the accounting insights that have been made by Politeknik Unggul LP3M Students can only be seen by managers and business owners. So that investment decisions can only be made based on consideration and agreement between managers and business actors without considering suggestions or opinions from other parties.

4. CONCLUSION

With good accounting insight, business actors can record financial reports correctly and realize the importance of accounting information to be used as a tool in knowing the development of their business which is then used as a basis for consideration in making investment decisions to be made. With a high entrepreneurial spirit, it will increase the desire to always innovate and dare to take risks in developing its business. Business actors with a high entrepreneurial spirit are aware of the benefits of using accounting information as a basis for making investment decisions because this accounting information can provide information related to the financial condition of their business. Financial literacy in making investment decisions can only be made and decided by managers and business owners without any interference from other parties.

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