

## Analysis of Interest of UIN Fatmawati Sukarno Bengkulu Students in Investing in Sharia Capital Market

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**ABSTRACT.** The emergence of Islamic capital markets is key to reducing the risk of uncertainty in conventional capital markets and also reducing financial scandals in international capital markets. The following is the cause of students' reluctance to invest in the capital market as from the results of the minimal capital research does not have a negative and insignificant effect on student interest. In this study using a qualitative approach with the type of obeservation research. The population of this study were students of UIN Fatmawati Sukarno Bengkulu with a sample of 10 students. The results of this study indicate that UINFAS students' interest in investing in the Islamic capital market is influenced by several factors, namely knowledge, income level, motivation and risk. This study is limited to the use of decision-making variables that influence interest in investing in the capital market.

**Keywords:** Analysis of Interest; Investing; shariah capital market;

### INTRODUCTION

The emergence of Islamic capital markets is key to reducing the risk of uncertainty in conventional capital markets and also reducing financial scandals in international capital markets. The Islamic capital market is an important component of the overall Islamic financial system, although it has been a late entrant to the industry, starting in the mid-1990s. The Islamic capital market is a muamalah economic activity that trades securities according to Sharia investment, namely stocks, bonds, and mutual funds.

Islamic capital market products experienced a very rapid development due to the increase in investment instruments in the form of Islamic stocks, cooperative sukuk, and state sukuk which reached 647%. The capital market is one of the main drivers of the world economy including Indonesia, through the capital market companies can obtain funds to carry out their economic activities.

The Islamic Capital Market in Indonesia in collaboration with PT Danareksa Investment Management launched the Jakarta Islamic Index (JII) which aims to guide investors who want to invest their funds in Islam. The Jakarta Islamic Index (JII) is used as a benchmark to measure the performance of an investment in Sharia-based stocks.

Investment in the capital market is an alternative investment that is easily accessible to the wider community. However, this investment activity is still a relatively new thing for the people of Indonesia when compared to other countries. The opinion, Sulistio (2015), the President Director

of the Indonesia Stock Exchange stated, "This is due to the lack of knowledge of the Indonesian people about investing in the capital market which can generate higher returns than other investment instruments". In the researcher's opinion above, it can be seen that knowledge is used as one of the causes that influence interest in being able to invest.

Investment has many parties have tried to invest but not a few of them have failed in the process. According to Sarah (2014), the risk itself is a chance of failure to obtain the expected profit in investment or it can also be explained by the possibility that some or all of the invested capital does not get a return. The emergence of risk means that investors will get a return in the future because, in terms of investing, there are often losses caused by the collapse of stock values and failures that cause potential investors not to want to invest in the capital market.

The following is the cause of students' reluctance to invest in the capital market, such as from the results of minimal capital research, which has no significant negative effect on student interest in investing in the Islamic capital market by researcher Sari (2018) with the title "The influence of knowledge, profit, risk, and minimal capital on student interest in investing in the Islamic capital market". With this explanation, this research was conducted to find out how much influence motivation, knowledge, profit/return, risk, and minimum capital of students on decision-making in investing in the world of capital markets to FEBI students of Fatmawati Sukarno State Islamic University Bengkulu class of 2021/2022 with the title "Analysis of Interest of UIN Fatmawati Sukarno Bengkulu Students in Investing in the Islamic Capital Market".

## **Investment**

Investment comes from the English investment from the root word invest which means to plant, or istathmara in Arabic, which means to make fruitful, develop and increase in number (Antonio 2007). In terms of terms, investment is immovable goods or goods owned by individuals or companies that are owned in the hope of obtaining periodic income or profits on sales and are generally controlled for a relatively long period (Rahmawan 2005).

The purpose of spending on investment is the purchase of goods that give hope of generating future profits. This means that the consideration taken by entrepreneurs or companies in deciding whether or not to buy these goods and services is the expectation of the entrepreneur or company of the possibility of profit that can be obtained. This profit expectation is the main factor in investment (Sitompul 2007).

Investment is part of muamalah fiqh, so the rule "the original law in all forms of muamalah is permissible unless there is evidence that forbids it" (Djazuli. A 2006). This rule is made because Islamic teachings protect the rights of all parties and avoid oppressing each other. This requires investors to know the limits and rules of investment in Islam, both in terms of the process, purpose, object, and impact of investment. However, not all types of investment are allowed by Sharia, such as the business case expressed above, which contains fraud and lies or contains elements of activities prohibited by Islamic law.

## **Investment Interest**

Interest in the Big Indonesian Dictionary (KBBI) is defined as a high inclination towards something passion or desire. According to Lilis in her writing states that interest is a psychological function or a conscious response to be interested in an object in the form of an object or something else. In addition, interest can arise because there is an attractive force from outside and also comes from the heart. In the conventional economic system, a person invests with different motives, one of which is to meet liquidity needs, save with the aim of getting greater returns, plan retirement and even to speculate.

## Basic Concepts of Islamic Capital Market

According to the Capital Market Law No. 8 of 1995, the capital market is an activity related to the public offering and trading of securities, public companies related to the securities they issue, as well as institutions and professions related to securities.

The Shariah capital market is a capital market in which the entire mechanism of its activities, especially regarding the issuer, and the type of securities traded, is by the principles of Shariah. Meanwhile, Shari'ah securities are the securities referred to in the Capital Market legislation whose contracts, company management, and issuance method fulfill the principles of Shari'ah based on Islamic teachings whose determination is carried out by the DSN-MUI (National Sharia Council of the Indonesian Ulama Council) in the form of a fatwa. (Bastomi and Nurhidayah 2023).

There is no text in the Qur'an or Hadith that talks about the capital market and its laws. However, stock trading is not contrary to Islamic law. However, the permissibility of buying and selling shares is limited to shares whose line of business is not contrary to the provisions of Islamic law. For example, companies that produce food, drinks or services that are not prohibited by religion (Lubis, 2004: 91).

## Islamic Capital Market Products

Sharia products in the capital market include securities. Based on Law Number 8 of 1995 concerning the Capital Market (UUPM), Securities are securities, namely debt acknowledgment letters, commercial papers, stocks, bonds, evidence of debt, Participation Units of collective investment contracts, futures contracts on Securities, and any derivatives of Securities.

In line with this definition, sharia products in the form of securities must not conflict with sharia principles. Therefore, these securities are said to be Sharia Securities. In the Bapepam and LK Regulation Number IX.A.13 regarding the Issuance of Sharia Securities, it is stated that Sharia Securities are Securities as referred to in the Capital Market Law and its implementing regulations whose contracts, methods, and business activities that are the basis for their implementation do not conflict with the principles of sharia in the Capital Market. Until now, Sharia Securities that have been issued in the Indonesian capital market include Sharia Shares, Sukuk, and Participation Units of Sharia Mutual Funds. (Nurlita 2015)

## METHOD

This research uses a qualitative approach with the type of observation research. The population of this study were students of UIN Fatmawati Sukarno Bengkulu with a sample of 10 students. The data collection technique used in this research is the interview. Data analysis techniques using data reduction, namely raw data that has been collected from observations, interviews, and documentation is classified, and then summarized for easy understanding. This data reduction is a form of analysis that aims to sharpen, select, focus, and organize data in such a way that the conclusions of the research can be made and verified.

## RESULTS AND DISCUSSION

The focus of this research is to find out the interest of UINFAS Bengkulu students in investing in the Islamic capital market. To obtain accurate information from research informants, the authors conducted interviews in the form of questions asked to research informants.

Based on interviews conducted by researchers regarding the interest of UINFAS students in making decisions to invest in the Islamic capital market, it was found that the majority of students were interested in investing for different reasons, including;

## 1. Knowledge

Knowledge is the most influential factor on student interest in investing. The higher the knowledge of students about investment, the greater their desire to invest. This is because good knowledge will help students understand the benefits and risks of investing.

## 2. Income Level

Income level can greatly affect students' interest in investing. Individuals with higher incomes may have more funds that can be allocated for investment. In addition, income level can also affect one's risk tolerance level and the types of investment instruments that can be accessed.

## 3. Motivation

Motivation plays an important role in influencing students' interest in investing. This is because motivation is the main driver behind every financial decision. When one has a strong motivation, such as achieving long-term financial goals, securing a family's future, or even contributing to a social cause, it provides additional energy to manage investments wisely. Motivation provides focus and perseverance, helps through market challenges and fluctuations, and ultimately, drives the sustainability of the investment journey.

## 4. Risk

Students believe that the lack of risk in investing in the Islamic capital market is closely related to the principles it upholds. The prohibition against excessive speculative practices and the prohibition against usury make the financial structure of companies in the Islamic capital market more conservative. This inherently reduces the level of risk in investments, giving investors added confidence that their investments are made with a more prudent and safe approach.

## CONCLUSION

The results of this study indicate that UINFAIS students' interest in investing in the Islamic capital market is influenced by several factors, namely knowledge, income level, motivation and risk. This study is limited to the use of decision-making variables that affect interest in investing in the capital market. Future research is expected to use other variables, such as the expected rate of return, knowledge owned, and others. This research is also expected to provide implications for the government through the Indonesia Stock Exchange to further increase activities including training related to the capital market, not only among students but also in the general public, so that the general public begins to understand the benefits that can be obtained if investing in the capital market.

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