STUDENTS' INTEREST IN INVESTING STOCK PORTFOLIO IN NEPAL

A Dissertation submitted to the Office of the Dean, Faculty of Management in partial fulfillment of the requirements for the Master's Degree

by

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CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled **"Students' Interest in Investing Stock Portfolio in Nepal"**. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor it has been proposed and presented as part of requirements for any other academic purposes.

The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

Ashok Neupane

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Date: ………………………

REPORT OF RESEARCH COMMITTEE

Mr. Ashok Neupane has defended research proposal entitled **"Students' Interest in Investing Stock Portfolio in Nepal"** successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestion and guidelines of supervisor Asso. Prof. Dr. Kapil Khanal and submit the thesis for evaluation and viva-voce examination.

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APPROVAL SHEET

We, the undersigned, have examined the dissertation entitled **"Students' Interest in Investing Stock Portfolio in Nepal"** presented by Ashok Neupane, a candidate for the degree of Master of Business Studies (MBS Semester) and conducted the Viva voce examination of the candidate. We hereby certify that the dissertation is worthy of acceptance.

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Ashok Neupane

Date: ……………….

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ABBREVIATIONS

%	:	Percentage
&	:	And
e.g.	:	Example
i.e.	:	That is
IBM	:	International Business Machine Corporation
IK	:	Investment Knowledge
IM	:	Investment Motivation
IMC	:	Investment Minimum Capital
IPI	:	Interest in Portfolio Investment
IR	:	Investment Risk
MS. DO	:	Microsoft Disk Operating System
No.	:	Number
Res	:	Respondents
SEM	:	Structural Equation Modeling
SPSS	:	Statistical Package for Social Sciences
T.U.	:	Tribhuvan University
WHO	:	World Health Organization
www	:	World Wide Web

ABSTRACT

This study has investigated the students' interest in investing portfolio of stock in Nepal. The study has used descriptive and casual research design. The sampling technique for the study followed convenience sampling. Data have analyzed by using different statistical technique such as descriptive statistic, correlation analysis and regression analysis. This study shows that students believe that both investment knowledge and investment motivation factor strongly influence their interest in portfolio investment and they also perceive their interest as significant. The correlation analysis indicates a strong relationship between investment knowledge and interest in portfolio investment. Likewise, investment minimum capital has significant positive relationship with interest in portfolio investment. Simultaneously, investment risk has a significant positive relationship with interest in portfolio investment. Furthermore, there is a strong positive correlation between investment motivation and the interest in portfolio investment. The regression analysis indicates a significant positive impact of investment knowledge on interest in portfolio investment. Furthermore, investment minimum capital also has a significant positive impact on interest in portfolio investment. In the meantime, investment risk and investment motivation greatly influence interest in portfolio investment in a positive manner. In conclusion, the influencing factors greatly impact the interest in portfolio investment. Nevertheless, all factors greatly affect interest in portfolio investment in the stock market.

Keywords: Interest in portfolio investment, investment knowledge, investment minimum capital, investment risk and investment motivation

CHAPTER - I
INTRODUCTION

1.1 Background of the Study

For almost twenty years, the design of risky asset diversification has predominantly relied on conventional criteria such as market capitalization, style, and geographic focus. These frameworks overlook the impact of sectors and industries while making investments in portfolios of emerging markets. When making investment decisions in Nepal, the majority of investors typically take the growth style into account and may downplay the volatility and return displayed by the sector or industry in which a firm operates (Adhikari & Jha, 2016). The purpose of this was to illustrate how to use Markowitz's Portfolio Theory to choose an ideal portfolio of risky assets for the Nepal Stock Exchange based on a sector-based framework.

Investments made with this dishonest intent offer enormous returns and rapid wealth accumulation. People are interested in being able to follow in the footsteps of the investment organizer without considering the dangers involved because it is unclear whether investing in certain items is permitted. Due of this, a lot of investors lose money on their investments (Ahmad, 2023). Potential investors should educate themselves on the fundamentals of the investment product they plan to buy in order to steer clear of unpleasant surprises. The capital market is unique among investments in that it requires a certain level of expertise, experience, and business acumen to evaluate securities, securities that are to be bought, and securities that are about to expire. Issuers listed on the Indonesia Stock Exchange (IDX) are expected to have strong financial standing as a result of periodic notable increases in the company's earnings. This is visible to and readable by the general public, particularly those who are interested in the financial accounts.

By providing borrowers with the funds they require, the capital market carries out its financial role. Lenders do this without having to assume direct ownership of the actual assets required for the investment. It is important to acknowledge that there is frequently a misalignment in the differentiation between financial and economic tasks. Furthermore, investors have access to an extensive selection of financial instruments through the capital market. When obliged to withdraw their assets during the epidemic, many inexperienced investors saw this opportunity and started to move their holdings to capital market instruments in an effort to boost production. It is thought that it can enhance the economy on an individual basis through the advantages received and assist a wide range of businesses in order to grow the national economy (Hidayahti & Suwarno, 2022).

A portfolio is an assortment of investments (two or more assets) that a person or business has made. This is an examination of the mechanisms present in a variety of investments to determine a reasonable total return from the securities. Finding a better strategy to allocate resources in order to maximize the amount of profit from the securities is the sole goal of portfolio analysis. This might be thought of as a portfolio of securities. For a sizable sample of US companies, Bannier et al. (2023) outlined the return impacts of CSR together with its risk-reducing features. Previous research has demonstrated that sustainable business practices can reduce risk, hence higher returns should be provided to "unsustainable" enterprises to offset their increased risk.

Investment has become a popular and fascinating conversation topic among students and the broader public in recent years. Pupils can use their leisure time learning more about investing, especially in light of the current pandemic. This will pique the interest of those who are sincere about investing. Simply put, piqueing students' interest in capital market investing is not that difficult. An interest in investing may be sparked by participating in the capital market, going to investment seminars, joining capital market associations, or even just asking your closest friends who have made investments (Efendi & Trisnawati, 2023).

In order to raise awareness of the value of investing and the necessity of gathering information before visiting a stock exchange, a lot of individuals believe that training on investments, especially investment tools, is crucial. With the right investment education, anyone can learn how to trade stocks. It is anticipated that investment education, particularly with reference to the capital market, will pique each participant's interest in investing in stocks. In fact, having adequate information about a subject boosts one's confidence in it—in this example, investing in the capital market (Halim et al., 2022).

It makes sense for students to expect either a particular return with a specific risk or a high return with a low risk. The investments that students make and the amount of money they invest are largely determined by their own actions, which are based on their acceptance of the risks involved. Examples of these actions include ignoring risks, also known as risk indifference, liking risks, also known as risk seekers, and avoiding risks, also known as risk averters (Mulyana et al., 2019). Investors who are risk averse will often avoid investing, but investors who are risk seekers may become overconfident and make blunders in their investments as a result of psychological factors and investment knowledge. The research are interested in learning how Nepalese students' interest in portfolio investing in stock market is influenced by their investment knowledge, minimum investment, investment risk, and investment motivation based on the background of this problem.

1.2 Problem Statement

Over the past several years, the Nepalese stock market has grown rapidly and drawn a sizable number of investors and students. Nevertheless, in spite of the expansion, little is known about the variables that affect investors' choices in the Nepalese stock market. These variables include the financial performance of the company, psychological variables, legal variables, and macroeconomic variables. Investors who are ignorant of these aspects end up depending on gathering data from several sources in order to make money in the stock market (Naveed et al., 2020). The inability of investors, regulators, and policymakers to comprehend these aspects poses a serious obstacle to their efforts to foster an atmosphere that supports the expansion and advancement of the stock market.

Seetharaman et al. (2017) revealed that the two factors that had the biggest influence on investor behavior were asset familiarity and investment aim. The selection of an investor's portfolio is influenced by their behavior as an investor. Investment risk was demonstrated by Prayudha and Kuswanto (2019) to have no bearing on investment interest. Investment interest was influenced by yearly report information and investment return, and investment choice was influenced by investment interest. According to Darno and Ningrum (2020), interest in participating in the stock market was not significantly impacted by investment expertise. The interest in investing in the capital market was significantly impacted by the investment return and investment gallery variables, but not by the investment capital variable.

Abiyyu (2020) found that university students who reside on the Mohammad Husni Thamrin University Campus, often known as AKA, had a little interest in investing in the capital market. There was a strong positive correlation found between this interest and investment advantage, motivation, return, and education. Hidayahti and Suwarno (2022) demonstrated that while investment knowledge, minimum capital investment, and return on investment had positive and significant effects, the coefficient of investment benefits and motivation was positive but did not have a significant influence. According to Yasinta et al. (2022), student interest in traditional capital markets for investments was positively, although not significantly, impacted by investment expertise. Student interest in conventional capital markets for investments was positively and significantly impacted by return, risk, and motivation.

Halim et al. (2022) found that investment desire and knowledge had a simultaneous, substantial favorable influence on FEBH UNDHIRA students' interest in capital market investing. Investor interest in the capital market was significantly influenced by investment knowledge, expected return, risk, and motivation, according to Efendi and Trisnawati (2023). Murwaniptri and Bleskadit's (2023) research indicates that investment returns and investing expertise have a substantial and positive influence on investor interest in Jayapura City. However, it was shown that investment risk had a major and unfavorable influence on their desire to make an investment in the same location.

Ahmad (2023) showed that partially, the variables of investment benefits, investment motivation and education had a positive and significant effect on the interest in investing in KSPM member students in the capital market. Oktavioni and Trisnawati (2023) mentioned that minimum capital had a significant effect on students' interest in investing in the capital market. Meanwhile, investment knowledge, motivation, information technology, and financial literacy had no effect on students' interest in investing in the capital market. Mellinia et al. (2023) found that investment knowledge had significant positive impact on investment interest. Likewise, there was significant positive effect of motivation on investment interest. Finally, minimum capital had significant positive effect on investment interest.

Kurniawati and Pamungkas (2023) came to the following conclusions: investment intention was positively impacted by perceived risk, favorable effects of investment motivation, and favorable effects of financial literacy. The study conducted by Prabowo et al. (2023) demonstrated a noteworthy positive correlation between investment knowledge, investment risk, and pocket money and the inclination to invest in the capital market. Muliadi et al. (2023) found that investment knowledge and outcomes have a favorable and significant impact on students' interest in investing. Risk preference had little effect on students' interest in investing. According to Dakota and Putra (2024), return and investment expertise had a positive and large impact on investment interest, whereas risk had a negative and significant impact.

Pratama and Mataram (2024) found no relationship between students' interest in participating in the sharia capital market and motivation, financial literacy, minimum investment amount, perception of risk, return, and religion. Mubarok et al. (2024) state that the willingness of Generation Z to invest in Cirebon City is significantly influenced by technological advancements, investment motive, and investment expertise. This research is thus required since there is a lack of current knowledge on the favorable conditions and obstacles surrounding the establishment of a Nepalese stock market. This study is also necessary since it is crucial to look into the reasons behind the delays in the nation's capital market opening. By achieving these goals, the study hopes to offer insightful information that will aid in the successful establishment of a capital market in Nepal.

1. What is the level of students’ interest in investing in Nepalese stock market?
2. What is the relationship between different factors such as investment knowledge, investment minimum capital, investment risk and investment motivation with students' interest in investing in Nepalese stock market?
3. What is the impact of investment knowledge, investment minimum capital, investment risk and investment motivation on students' interest in investing in Nepalese stock market?

1.3 Objectives of the Study

The major objective of the study is to examine the students’ interest in investing stock portfolio in Nepal. The specific objectives of this study are as follows:

1. To assess the level of students’ interest in investing in Nepalese stock market.
2. To examine the relationship between different factors such as investment knowledge, investment minimum capital, investment risk and investment motivation with students' interest in investing in Nepalese stock market.
3. To analyze the impact of investment knowledge, investment minimum capital, investment risk and investment motivation on students' interest in investing in Nepalese stock market.

1.4 Hypotheses

Based on the stated research objectives, the following hypotheses are formulated to give the study direction:

- H_1: Investment knowledge has significant impact on students' interest in investing in Nepalese stock market.
- H_2: Investment minimum capital has significant impact on students' interest in investing in Nepalese stock market.
- H_3: Investment risk has significant impact on students' interest in investing in Nepalese stock market.
- H_4: Investment motivation has significant impact on students' interest in investing in Nepalese stock market.

1.5 Rationale of the Study

It is anticipated that this study will give readers a broad overview of the subject and deepen their comprehension of the reasons for investors' interest in investing in various portfolios in the Nepalese capital market. Writers might also benefit from this research because it can provide fresh insights into the subjects covered. This study can serve as a baseline for future research that is comparable to it as well as a resource for academics. This study looks at Nepal's entire Kathmandu Valley. Consequently, these data may not accurately represent all Nepalese who would be interested in trading stocks. The investigator anticipates that the results of this investigation may serve as a basis for future research. Researchers propose that in order to make the sample of respondents more typical of the total population under investigation, additional research should look at other aspects. This research will undoubtedly benefit all parties involved, beginning with the bodies in question, by creating resources that reflect Nepalese people's understanding of the capital market and helping educational institutions create resources that effectively educate students and pique their interest in a variety of investment portfolios on the Nepalese stock market.

1.6 Limitations of the Study

The following are the major limitations of the study:

- The research was limited to a small group of students, so the results may not apply to all students.
- The study focused exclusively on four independent variables: investment knowledge, minimum capital for investment, investment risk, and investment motivation.
- The research was conducted over a restricted timeframe.
- The analysis in this study was confined to descriptive statistics, correlation, and multiple regression methods.

CHAPTER- II
LITERATURE REVIEW

A crucial and essential stage in every research project is the assessment of existing literature. Examining research papers or other pertinent claims in the relevant field of study is a necessary step in doing new research since it makes one aware of all previous studies, their shortcomings, and their findings. This chapter reviews and analyzes a number of books, essays, and published and unpublished works on similar topics from a range of economic publications, research papers, newspapers, and periodicals. It also looks up relevant information on the internet. The theoretical review and the empirical review are the two elements that make up this chapter.

2.1 Theoretical Review

2.1.1 Theories Related to Interest in Investing Portfolio

This section reviews key theories related to interest in investing portfolio. These theories include modern portfolio theory, the theory of planned behavior, the greater fool theory, technology diffusion theory, behavioral finance theory, goal-setting theory, and the efficient market hypothesis.

2.1.1.1 Modern Portfolio Theory

The MPT was proposed by Markowitz in the year 1952. According to this notion, individual investors are cautious and logical. The upshot of this is that when confronted with two investment possibilities with the same projected returns, an investor would instinctively select the one that had less risks. As a result, a larger return requires a higher level of risk, which an investor must accept. Generally, this is the same for all shareholders and investors; but, based on their unique risk appetite, various investors will assess the trade-off inversely. For financial decision-making in the fields of finance and investment as well as economics, the current portfolio theory is vital.

Maintaining a portfolio of assets that are not positively correlated is one way to lower portfolio risk, which is a crucial topic covered in the (MPT). According to intuition, investors should look for as many volatilities as possible when the market is bullish (share prices are increasing), but this shouldn't be the case when the market is bearish (share prices are still down). It is well known that investors prioritize preventing losses over making profits (Rom & Ferguson, 1994).

When it comes to asset allocation, the contemporary portfolio theory has shown to be helpful. Investment managers use a range of classes, starting with small-cap stocks, long-term bonds, and international stocks, to analyze and select the optimal portfolio for their companies or clients. To estimate predicted returns, risk, and asset correlations, investors often begin with examining businesses' previous performance represented in the various asset classes. The so-called mean-variance optimization uses the forecasts as inputs. Next, an investor forecasts the value of an investment portfolio using several financial modeling approaches (Fabozzi et al., 2002).

The contemporary portfolio theory aligns well with the study's overarching goal as it advises investors on the value of diversifying their asset holdings to minimize risk and optimize returns. The theory also emphasizes the concept of the tradeoff between risk and return which is important for investment decision-making. According to Nofsinger (2017), there is a high expectation of future returns for an investor who is ready and able to take on additional risk.

2.1.1.2 Theory of Planned Behavior

According to Ajzen's (1991) theory of planned behavior, an individual's conduct is influenced by their behavioral intentions, which are also referred to as attitude, subjective norm, and perceived behavioral control. This theory states that attitude, which may be either good or negative, is made up of a person's fundamental ideas about the expected outcomes of a certain action. For example, a person will behave favorably if they believe that a particular course of action would lead to something pleasant, desired, favorable, or helpful. On the other hand, a negative attitude characterizes a situation in which a person believes that something bad will happen. Subjective norms impact attitude as well as intention. The phrase "subjective norm" refers to societal pressure based on normative beliefs that requires one to engage in or refrain from a certain behavior. Thus, subjective norms are the behaviors we believe significant others in our life expect of us. Furthermore, our perceived behavioral control reflects our level of confidence in our ability to manage our behavior. It depends on our perception of both internal (such as our ability and willpower) and external (such as resources and assistance) factors.

2.1.1.3 Greater Fool Theory

Professor Burton Malkiel first proposed the idea of the "greater fool theory" in 2011. According to this theory, there will always be a buyer prepared to pay a premium for an item that is overpriced; therefore, the term "greater fool." This hypothesis is frequently linked to market bubbles that are characterized by fast price rises in assets that exceed their inherent worth, like the tech stock boom of the late 1990s and the real estate bubble of the 2000s.

When the values of particular assets grow dramatically and disproportionately relative to their intrinsic value, a market bubble is created. Bubbles are frequently viewed as examples of irrationality, propelled by unjustified optimism that raises asset values and causes capital to be misallocated. Regarding the origins and durability of asset bubbles, there is disagreement among scholars and professionals in the field of finance. Nonetheless, the "Greater Fool Theory" is one hypothesis that is commonly addressed in regard to the continuing of the bubble (Burton, 2011).

Individuals can benefit during a market bubble by purchasing overpriced assets and then selling them at a higher price, according to Malkiel (2011)'s Greater Fool Theory. This method ignores the intrinsic worth of the assets. The foundation of the notion is the idea that there will always be a buyer prepared to pay even more. Those who believe in this notion speculate about the future values of assets, believing there will always be a "greater fool" to buy the assets from. But when the bubble finally bursts and there is a significant sell-off, those who are left holding the assets without buyers could lose a lot of money. The Greater Fool Theory applies to the stock market when stock prices diverge from the company's inherent worth, or cash flows. According to the notion, any price may be justified, no matter how high, as long as it is assumed that there is another customer who is prepared to pay a greater price.

2.1.1.4 Technology Diffusion Theory

The theory put out by Rogers (2003) centers on the process of technology diffusion, which describes how an invention spreads over time among people in a social system.

Rogers carried a research on the New York Stock Exchange's (NYSE) deployment of information and communication technology (ICT). According to Rogers (2008), the NYSE made investments in ICT with the intention of generating new resources and improving those it already had in order to get a competitive edge. "Efficient trade execution, increased trading capacity, improved market quality, and reduced labor and space requirements" are just a few of the benefits of ICT that the research highlighted (Rogers, 2008).

Yartey and Adjani (2007) put out a few requirements in a research on the expansion of the capital market in sub-Saharan Africa in order to alleviate liquidity issues and encourage regional integration in security exchanges. "These requirements included, among other things, the implementation of a central depository system and a strong electronic trading system" (Yartey & Adjani, 2007).This theory serves as the foundation for the analysis of the study's infrastructural circumstances.

2.1.1.5 Theory of Behavioral Finance

The flaws in classical finance gave rise to behavioral finance (Statman, 1999). Linter (1998) defined behavioral finance as the study of how people understand and react to information in order to make financial decisions. The literature on behavioral finance may be broadly divided into two categories. The first phase is to find deviations from the Efficient Market Hypothesis; the second is to discover investor biases or behaviors that go against conventional notions of rational behavior in the financial and economic domains.

According to Statman (1999), the goal of behavioral finance is to identify and clarify the ways in which emotions and cognitive mistakes influence financial decision-making. Behavioral finance provides investors with more reasons for their irrational financial actions by combining psychology and traditional finance concepts. Barberis and Shleifer (2003) studied a number of trading anomalies, including herding behavior, overreaction, under reaction, and momentum strategies, and suggested that these anomalies violate the Efficient Market Hypothesis's trading rules and render traditional finance models and theories inappropriate for relating investment risk and returns. To explain possible inefficiencies in the market is the aim of behavioral finance. In a nutshell, behavioral finance is the application of the behavioral traits of human behavior to financial theories and models in order to further economic understanding. It offers a more profound understanding of investor behavior and the actual market.

Behavioral finance focuses on how human nature affects decision-making, with emotional reactions and poor choices impacting an individual investor's choices. Kenneth and Kim (2007) pointed out that because investors are susceptible to a variety of cognitive biases that limit their intellectual ability, behavioral finance can help us understand investor behavior and cognitive capabilities. Numerous study done globally have discovered that individual investors in stocks are not able to take full benefit of market development and volatility. Individual investors' performance and investing choices are significantly influenced by behavioral variables (Bilal, 2016). Investment decisions are mostly influenced by behavioral and emotional factors, which are influenced by the behavioral biases of investors.

2.1.1.6 Goal Setting Theory

Expectancy theory and goal setting theory have been combined more recently (Hollenbeck et al., 1989). The foundation of goal setting theory is the idea that results are driven by deliberate objectives and intentions. According to Locke and Latham's (1986) goal setting theory of motivation, an individual's performance on related activities is likely to be influenced by their own objectives. More specifically, definite, difficult goals outperform ambiguous, simple, or do-your-best goals in terms of performance. objective setting theory presupposes that for people to be effective, they must be able to complete the work, be dedicated to the objective, and get feedback. This suggests that initiatives promoting financial literacy that are driven by beliefs and worries about one's financial security in later life should be more successful. According to motivational theory, financial conduct that serves customers' best interests should be taken into account when measuring financial literacy.

Based on (self-beneficial) behavior in cash flow management, credit management, saving, and investing practices, Hilgert et al. (2003) created a Financial Practices index. They discovered a favorable link between financial literacy scores and

Financial Practices Index scores when they compared the index's findings with the quiz's results. Their results imply that financial knowledge is associated to financial habits.

2.1.1.7 The Efficient Market Hypothesis

The American economist Fama (1970) invented the EMH. According to this theory, prices at equilibrium efficiently collect information in markets that are heavily characterized by knowledge asymmetries (security markets). Thus, by just keeping an eye on other prices, an investor may readily learn whatever he wants to know about other information (Laffont & Maskin, 1990). When fresh information is released by the market, it travels quickly and is instantly factored into stock prices. Neither technical nor fundamental research can ensure that an investor would make significantly more money than they would typically from owning a randomly chosen portfolio of almost equal risk stocks and assets (Kamuti & Omwenga, 2017).

The three iterations of the Efficient Market Hypothesis that finance experts have classified are described by Clarke et al. (2001). In other words, the semi-strong efficiency holds that the current market price fully integrates all publicly available information (historical and current information, and the strong form sectors both the public and the private, and it is observed to have the past, present, and future information reflected in a stock value); and the weak form efficiency holds that the market price fully integrates information that is reflected in the past.

Kofarbai and Zubairu (2016) assert that the EMH accurately captures all of the information that is available in the stock market. This suggests that consistently outperforming the market on a risk-adjusted basis is nearly impossible. This is so because market pricing need to react solely to information that is both new and current. The EHM and this study have strong correlations, especially with regard to the first goal, which is financial market knowledge. Financial market data still upholds the fundamental idea of the Efficient Market Hypothesis (EMH) and helps investors decide when to trade financial securities as well as other commodities like gold, agricultural produce, and other valuables with low transaction costs. As a result, financial market information empowers investors to choose wisely among the options available to them.

2.1.2 Utilizing Portfolios in the Nepalese Capital Market

Diversification: Building a diversified portfolio in the Nepalese capital market allows investors to spread risk across multiple assets and industries. The entire portfolio is less affected by market swings thanks to this diversity.

Long-Term Growth: Portfolios can be set up to support long-term financial objectives, like wealth growth or retirement planning. Compound returns can be earned over time by investors who blend their assets with growth potential (Adhikari & Jha, 2016).

Income Generation: Income-producing assets, such as dividend-paying stocks or bonds, can be included in portfolios. This can preserve funds for potential future growth possibilities while giving investors a consistent income stream.

Risk Mitigation: In the Nepalese capital market, portfolios can assist investors in efficiently managing risk by providing the right balance between diversification and asset allocation. Investing in a variety of asset classes can help investors lessen the impact that market volatility will have on their whole portfolio.

Investors in the Nepalese capital market can manage risks, maximize returns, and traverse the ever-changing market with resilience by building and maintaining a well-diversified portfolio based on their financial objectives and risk tolerance (Adhikari & Jha, 2016).

2.1.3 Factors affecting the Investment Portfolio Decision

i) Amount of Investment

The quantity of funds available to the company should be taken into account by the financial manager while creating the investment portfolio. Trading and manufacturing companies solely trade securities in order to make the greatest use of their excess cash resources. Therefore, the amount of excess money they have on hand will determine how much they invest in securities (Maheshwari, 1997).

ii) Objective of Investment Portfolio

A defined goal for investing in securities should be considered when creating the investment portfolio. Organization to organization may have different goals.

However, a business, looking for investment of provident fund of its employees can invest only in such assets, which can assure the safety fund and its return.

iii) Selection of Investment

A financial manager must make this crucial choice in order to invest the asset. Assuring the type of securities, the ratio of fixed to variable yield securities, the selection of industries, the selection of businesses, etc. are all part of the investment selection process (Maheshwari, 1997).

iv) Timing of Purchase

To maximize the profit, it is not only vital for the financial manager to acquire the proper investment but equally important to buy and sell it at the right time. For the financial manager, this is the most difficult choice.

2.2 Empirical Review

Seetharaman et al. (2017) investigated a study of the factors affecting the choice of investment portfolio by individual investors in Singapore. The primary aim of the research was to examine the data on the variables that impact financial advisors, investment planners, and individuals who want to enhance their portfolio selection and performance. People's portfolios, which haven't been tested up to this point, and their investment choices. The smart-pls statistical software (PLS-SEM), which uses partial least squares structural equation modeling, was used to simulate the survey. The results of the research found that both investment objectives and asset familiarity had a major influence on investor behavior, with asset familiarity having the greatest impact. An investor's investment activity affects the selection of their portfolio.

Prayudha and Kuswanto (2019) examined factors that influence investors in investing stock with investment interest as mediating variable in Indonesian capital market. The main objective of the study was to experimentally determine the impacts of investment return, annual report information, and investment risk, either partially or simultaneously, on investment decisions in the Indonesian capital market using investment interest as a mediating variable. Information gathered from those who have started investing in the stock market through the distribution and completion of questionnaires. The total number of respondents in the sample is 454. The processes in the data analysis process include testing models, evaluating hypotheses, assessing descriptive statistics, and testing for validity and reliability. To administer the exam, structural equation models are employed. The tools used were AMOS and SPSS versions 24 and 25. The results showed that investment return, annual report information, and investment risk all simultaneously influenced investment decision, with investment interest serving as a mediating variable. The investment interest, however, did not eliminate all of the investment risk. Investment return and yearly report data impacted investment interest, and investment interest influenced investment decision.

Darno and Ningrum (2020) analyzed factors affecting student invest in the capital market through the investment gallery of Maarif Hasyim Latif University –Sidoarjo. The objective of this research was to ascertain the impact of investment galleries, investment knowledge, capital, return, and motivation on S1 Accounting students at Maarif Hasyim Latif University - Sidoarjo's desire in making capital market investments. This study uses a quantitative approach. S1 Accounting students were the study's target group in 2015. In this study, fifty students served as samples. A questionnaire was used to obtain the data. Validity and reliability tests were employed in the study's instrument testing. Multiple linear regression analysis and classical assumptions were employed as data analysis tools. This study found no significant correlation between investment knowledge and desire in making capital market investments. The investment return and investment gallery factors, but not the investment capital variable, had a substantial impact on the interest in investing in the capital market. Moreover, the investment gallery had no effect on the desire to engage in the capital market.

Abiyyu (2020) analyzed the factors affecting the interest of university student Mohammad Husni Thamrin University Campus AKA to invest in the capital market. The primary aim of the research was to examine the impact of investing benefits, motivation, returns, and education on the inclination of university students at Mohammad Husni Thamrin University Campus, often known as AKA, to make capital market investments. The study's methodology combines quantitative techniques with primary data collected through questionnaire distribution and cross-sectional data. Using data from as many as 90 samples in 2019, the sampling strategy makes use of purposive sampling methods. Multiple linear regression is the data analysis method used to verify the validity, reliability, stability model, linearity, normalcy, partial, and simultaneous assumptions. The results of the research showed that, at least in part, the variables of investment advantage, motivation, return, and education significantly and favorably influenced university student Mohammad Husni Thamrin University Campus AKA's desire in making capital market investments. Furthermore, a significant correlation was observed between the investment benefit, motivation, return, and education variables and the interest of Mohammad Husni Thamrin University Campus AKA university students in making capital market investments.

Lakshmy and Dency (2021) analyzed investors' preference and investment objectives towards portfolio options: a study among individual investors in Chalakudy. The main objective of the research was to determine which portfolio investment option investors favored and how important they thought the investment objectives were. For the study, both primary and secondary data were employed. The primary data was obtained through convenience sampling from 100 Chalakudy-based investors. SPSS 21.0 was used to tabulate and analyze the gathered data. Chi-square testing and simple percentages are two of the statistical methods employed in the analysis. The survey came to the conclusion that investors were very interested in purchasing numerous financial products that were available on the market, as well as safer, more liquid, and high-return investment portfolios. The primary drivers of the investing goal were dividends, tax benefits, rapid gains, appropriate shares, and liquidity.

Hidayahti and Suwarno (2022) analyzed students' interest in investing in the capital market after the pandemic. This study looked at how active students studying accounting and management in the city of Gresik were affected by factors such as investment knowledge, benefits, motivation, minimum investment capital, and return on investment in the post-pandemic capital market. Quantitative methodologies are associated with this kind of research. A Likert scale is used to measure the primary data used in this study, which comes from questionnaires. In this study, a sample of 100 economic and business faculties—67 accounting majors and 33 management majors—were chosen based on pre-existing criteria. Partial Least Square (PLS) was utilized for data analysis. A questionnaire was used to gather data for this investigation, and the Smart PLS 3 software was used to process the data. The findings demonstrated that while investment motivation and benefits had positive but non-significant coefficients, other variables like return on investment, minimum capital investment, and investment knowledge had both positive and significant coefficients.

Yasinta et al. (2022) analyzed of factors affecting student investment interest in conventional capital markets. The primary aim of the research was to determine the variables that affect students' interest in investing in the capital market. Specifically, the study sought to identify the most significant variables that are believed to affect students' interest in investing in the capital market: minimum capital knowledge, return risk, and motivation. The study's findings should serve as a guide for instruction or assessment in order to pique students' interest in traditional capital markets as investment opportunities. This study employed a quantitative approach to research utilizing a survey or questionnaire method. The population of this study consisted of 99 students or respondents who were selected at random from the active management study program at Institut Santi Buana for the 2019–2021 class. A questionnaire that was given to respondents directly was the method employed to collect data for this investigation. According to the study's findings, student interest in conventional capital markets for investments was positively but not significantly impacted by investing knowledge, and in the same way, student interest in conventional capital markets was positively but not significantly impacted by the minimal model. The factors of return, risk, and incentive had a positive and significant effect on students' interest in participating in traditional capital markets.

Halim et al. (2022) analyzed effect of investment knowledge, and investment motivation with interest of Dhyana Pura university students to invest in the capital market. The main goal of the study was to explore the effect of investment knowledge, and investment motivation on investment interest of Dhyana Pura university students. to employ the questionnaire approach for data collection. There is a quantitative research design. Students from FEBH UNDHIRA's undergraduate accounting and financial management program who had completed the capital market course made up the population. Eighty students made up the sample for the data analysis procedures, which included multiple linear regression analysis, basic linear regression analysis, and classical assumption. This study found that investment motivation and knowledge simultaneously had a strong favorable impact on FEBH UNDHIRA students' enthusiasm in engaging in the capital market.

Efendi and Trisnawati (2023) analyzed of factors affecting student's interest in investing in the capital market. This study sought to ascertain the impact of investment motive, perceived return on investment, investment risk, and investment expertise on interest in capital market investing. This study employs a quantitative methodology and a questionnaire to collect data for the research project. The participants in this study were Muhammadiyah University of Surakarta students. Purposive sampling was used to select 100 respondents as the study's sample. With the help of the SPSS 21.0 for Windows application, multiple regression analysis approaches were performed in this study. The results of the research offer empirical support for the claimed that motivation, perceived return, risk, and investment expertise all affect people's interest in making capital market investments. The research had ramifications for students, investors, and stock exchange institutions when it comes to formulating strategies.

Murwaniptri and Bleskadit (2023) administered the impact of investment knowledge, investment return and investment risk on investors’ investment interest. The purpose of this study was to evaluate the impact of investment risk, returns, and expertise on investors' interest in Jayapura City. In this quantitative study, a sample of one hundred people was included through the use of purposive sampling. Multiple regression analysis was employed in this study to analyze the data. According to this study, investors' interest in Jayapura City is positively and significantly affected by investment returns and information. On the other hand, it was discovered that their interest in investing in the same city was significantly and negatively impacted by investment risk.

Oktavioni and Trisnawati (2023) administered the influence of investment knowledge, minimum capital, motivation, information technology, and financial literacy on student investment interest in the capital market. The main objective of the research was to ascertain how students' interest in capital market investing was influenced by investment knowledge, minimum capital requirements, motivation, information technology, and financial literacy. This type of study makes use of quantitative methods. The data analysis strategy used in this inquiry was multiple linear regression analysis, which was aided by the SmartPLS version 3.0 tool. 123 respondents who completed questionnaires were included in the study's sample. The method used to acquire the data was purposive sampling. The results of the study showed that little capital had a major influence on students' motivation in participating in the capital market. Financial literacy, investment understanding, information technology, or motivation had no bearing on students' enthusiasm in making capital market investments.

Ahmad (2023) evaluated several factors affecting interest in investing in the capital market. This study sought to ascertain and evaluate the impact of investment motivation, advantages, and education on the interest in capital market investing among student members of Makassar's KSPM (Capital Market Study Group). Students from Makassar universities who were KSPM members made up the study's population. Purposive sampling was the technique employed, and 30 respondents were obtained based on the predetermined criteria. All participants in the study were given questionnaires or statements, which provided main data for the study. Data quality assessment, classical assumption testing, multiple linear regression analysis, and hypothesis testing were the analysis techniques used. The findings indicated that interest in investing in KSPM member students in the capital market was positively and significantly influenced, at least in part, by the factors of investment rewards, investment motivation, and education.

Mellinia et al. (2023) investigated the influence of investment knowledge, motivation, and minimum capital on investment interest. The aim of this study was to investigate the ways in which undergraduate students' excitement for the capital market is influenced by their core investing skills, willingness to participate, and minimum capital quantity. Random sampling with proportionate segmentation is the method employed. Responses were gathered via a Google Forms-created questionnaire. The data were subjected to a multiple linear regression analysis using SPSS version 26. This study found that investment knowledge had a strong beneficial impact on interest in investing. In a similar vein, investing interest was strongly positively impacted by motivation. In the end, the minimum capital requirement raised interest in investments considerably.

Prabowo et al. (2023) analyzed the effect of investment knowledge, investment risk, and pocket money on interest in investing in the capital market. This study sought to ascertain how students' interest in capital market investing was influenced by their pocket money, investment risk, and investment knowledge. Descriptive statistics, traditional assumption tests, multiple linear regression analysis, determinant coefficient, and hypothesis testing are examples of data analysis approaches. The results showed that investment competence had a strong positive impact on interest in engaging in the capital market. Investment risk has no effect on the desire to make capital market investments. Pocket money greatly raised interest in capital market investment. The results of simultaneous testing showed that interest in investing in the capital market was significantly positively correlated with investment expertise, investment risk, and pocket money.

Kurniawati and Pamungkas (2023) analyzed the effect of investment motivation, perceived risk and financial literacy on investment intention. The purpose of this study was to ascertain whether perceived risk, financial literacy, and investment motive all influenced investment intention. This study employed a descriptive research design using a quantitative methodology. The study's sample consisted of West Kalimantan-based generation Z individuals (born 1997–2012) who intend to invest in the capital market but have never done so previously. A purposive sampling strategy was employed to pick 347 respondents, who served as the study's samples. The method of structural equation modeling was used to analyze the data. The study's findings showed that perceived risk had a positive impact on investment intention, financial literacy had a positive impact on investment intention, and investment desire had a positive impact on investment intention.

Muliadi et al. (2023) examined knowledge, risk preference and investment returns on student investing interest in the Islamic capital market. The main objective of this research was to examine and demonstrate how student interest in investing is influenced by investment returns, risk tolerance, and investment expertise. This research combines quantitative methodologies with regression analysis. 3,710 students from the State Islamic University of Mataram's Faculty of Islamic Economics and Business made up the research population. Accidental sampling is used in the sampling approach. Using the Slovin technique, the sample size was determined, yielding a sample of 98 respondents. Primary data from questionnaires and secondary data from published works comprise the data source. Using IBM SPSS version 21 software, a number of tests were used to analyze the data, including validity, reliability, classic assumption, multiple linear regression, and coefficient of determination tests. The study's findings demonstrated that student interest in investing is favorably and significantly influenced by investment knowledge and returns. Student interest in investing was not influenced by risk preference.

Dakota and Putra (2024) investigated the influence of investment knowledge, return, and risk on students' interest in investing in the capital market. The purpose of this study was to examine how undergraduate students at the University of Mataram's Faculty of Economics and Business felt about risk, return, and investment expertise. Quantitative data is the sort of data employed in this associative research study. The questionnaire used in the data collection procedure has a sample size of 100. The Statistical Package for The Social Sciences (SPSS) program is used in the analytical process, which employs multiple linear regression analysis. The research results showed that first, investment knowledge had a favorable and significant effect on investment interest. The findings of the second study demonstrated that investing interest was positively and significantly impacted by return. According to the most recent research findings, risk significantly and negatively impacted investing interest.

Pratama and Mataram (2024) investigated factors influencing students' interest in investing in the Sharia capital market: a case study on students of Mataram University. The main objective of the study was to determine students' interest in investing in the sharia capital market including as dependent factors motivation, investment knowledge, minimum investment amount, risk perception, return, and religion. This research employs quantitative techniques. The primary data source for this study was the distribution of offline questionnaires to respondents, or students. In connection with the research project, questionnaires were sent. Questionnaires were given to sixty-one samples. Multiple regression analysis was the technique used for data analysis. The study's findings showed that variables including motivation, financial literacy, minimum investment requirements, perceptions of risk and return, and religiosity had little bearing on students' interest in participating in the sharia capital market.

Mubarok et al. (2024) administered the influence of investment knowledge, technological advancements, and investment motivation on investment interest among generation Z. The purpose of this study was to ascertain the relative contributions of investment motivation, investment knowledge, and technical improvements to Generation Z's interest in investing in the capital market. The study's population comprises 200 accounting majors from the 2020 cohort enrolled in the Faculty of Economics and Business at Swadaya Gunung Jati University in Cirebon. Purposive sampling was the method employed in the sampling, and the sample size was 67 students. Questionnaires were used in this study's data collection process. Multiple regression analysis and descriptive statistical analysis were used as data analysis approaches. The findings of this research indicate that technological advancements, investment motivation, and investment knowledge all had a significant impact on Generation Z's interest in investing in Cirebon City. Strong internal and external investment knowledge increases a student's likelihood of being interested in capital market investing.

Table 1

Summary of Empirical Review

S.N.	Authors	Topic	Objectives	Methodology	Major Findings
1	Seetharaman, A., Niranjan, I., Patwa, N., & Kejriwal, A. (2017).	A study of the factors affecting the choice of investment portfolio by individual investors in Singapore	This study examined the data on the variables that impact financial advisors, investment planners, and individuals who want to enhance their portfolio selection and performance.	The smart-pls statistical software (PLS-SEM), which uses partial least squares structural equation modeling, was used to simulate the survey.	The results of the research found that both investment objectives and asset familiarity had a major influence on investor behavior, with asset familiarity having the greatest impact. An investor's investment activity affects the selection of their portfolio.
2	Prayudha, D. R., & Kuswanto, A. (2019).	Factors that influence investors in investing stock with	The main objective of the study was to determine the impacts of	The processes in the data analysis process include testing models,	The results showed that investment return, annual report information, and investment risk all simultaneously influenced

		investment interest as mediating variable in Indonesian capital market.	investment return, annual report information, and investment risk, either partially on investment decisions in the Indonesian capital market.	evaluating hypotheses, assessing descriptive statistics, and testing for validity and reliability.	investment decision, with investment interest serving as a mediating variable. The investment interest, however, did not eliminate all of the investment risk. Investment return and yearly report data impacted investment interest, and investment interest influenced investment decision.
3	Darno, A. R. M., & Ningrum, D. A. (2020).	Factors affecting student invest in the capital market through the investment gallery of Maarif Hasyim Latif University – Sidoarjo	The objective of this research was to ascertain the impact of investment galleries, investment knowledge, capital, return, and motivation on S1 Accounting students in making capital market investments.	Multiple linear regression analysis and classical assumptions were employed as data analysis tools.	This study found no significant correlation between investment knowledge and desire in making capital market investments. The investment return and investment gallery factors, but not the investment capital variable, had a substantial impact on the interest in investing in the capital market. Moreover, the investment gallery had no effect on the desire to engage in the capital market.
4	Abiyyu, M. S. (2020).	The analysis of factors affecting the interest of university student Mohammad Husni Thamrin University Campus AKA to invest in the capital market.	The primary aim of the research was to examine the impact of investing benefits, motivation, returns, and education on the inclination of university students at Mohammad Husni Thamrin University Campus, often known as AKA.	Multiple linear regression is the data analysis method used to verify the validity, reliability, stability model, linearity, normalcy, partial, and simultaneous assumptions.	The results of the research showed that, at least in part, the variables of investment advantage, motivation, return, and education significantly and favorably influenced university student Mohammad Husni Thamrin University Campus AKA's desire in making capital market investments. Furthermore, a significant correlation was observed between the investment benefit, motivation, return, and education variables and the interest of students in making capital market investments.
5	Lakshmy, P. M. G., & Dency, D. (2021).	Investors' preference and investment objectives	The main objective of the research was to determine which portfolio	Chi-square testing and simple percentages are two of the	The survey came to the conclusion that investors were very interested in purchasing numerous financial products that

		towards portfolio options: A study among individual investors in Chalakudy	investment option investors favored and how important they thought the investment objectives were.	statistical methods employed in the analysis.	were available on the market, as well as safer, more liquid, and high-return investment portfolios. The primary drivers of the investing goal were dividends, tax benefits, rapid gains, appropriate shares, and liquidity.
6	Hidayahti, N. A., & Suwarno, S. (2022).	Students' interest in investing in the capital market after the pandemic.	This study looked at how affected by factors such as investment knowledge, benefits, motivation, minimum investment capital, and return on investment in the post-pandemic capital market.	Partial Least Square (PLS) was utilized for data analysis. A questionnaire was used to gather data for this investigation, and the Smart PLS 3 software was used to process the data.	The findings demonstrated that while investment motivation and benefits had positive but non-significant coefficients, other variables like return on investment, minimum capital investment, and investment knowledge had both positive and significant coefficients.
7	Yasinta, Y., Vera, V. H., Nadapdap, J. P., Sartika, K. K. & Dona, D. M. (2022).	Analysis of factors affecting student investment interest in conventional capital markets	The primary aim of the research was to determine the variables that affect students' interest in investing in the capital market.	The data analysis method employed is multiple regression analysis.	The study found that investing knowledge had a positive but not statistically significant impact on students' interest in conventional capital markets for investments, and that the minimal model had a similar positive but statistically insignificant impact. Students' interest in participation in traditional capital markets was positively and significantly impacted by the return, risk, and incentive variables.
8	Halim, E., Purnama, N. L. P. S., & Wasita, P. A. A. (2022).	Effect of investment knowledge, and investment motivation with interest of Dhyana Pura university students to invest in the capital	The main goal of the study was to explore the effect of investment knowledge, and investment motivation on investment interest of Dhyana Pura university students.	Multiple linear regression analysis, basic linear regression analysis, and classical assumption were used for data analysis.	This study found that investment motivation and knowledge simultaneously had a strong favorable impact on FEBH UNDHIRA students' enthusiasm in engaging in the capital market.

		market.			
9	Efendi, R., & Trisnawati, R. (2023).	Analysis of factors affecting student's interest in investing in the capital market.	This study sought to ascertain the impact of investment motive, perceived return on investment, investment risk, and investment expertise on interest in capital market investing.	With the help of the SPSS 21.0 for Windows application, multiple regression analysis approaches were performed in this study.	The results of the research offer empirical support for the claimed that motivation, perceived return, risk, and investment expertise all affect people's interest in making capital market investments. The research had ramifications for students, investors, and stock exchange institutions when it comes to formulating strategies.
10	Murwanipt ri, H., & Bleskadit, N. H. (2023).	The impact of investment knowledge, investment return and investment risk on investors' investment interest	The purpose of this study was to evaluate the impact of investment risk, returns, and expertise on investors' interest in Jayapura City.	Multiple regression analysis was employed in this study to analyze the data.	According to this study, investors' interest in Jayapura City was positively and significantly affected by investment returns and information. On the other hand, it was discovered that their interest in investing in the same city was significantly and negatively impacted by investment risk.
11	Oktavioni, A. L., & Trisnawati, R. (2023).	The influence of investment knowledge, minimum capital, motivation, information technology, and financial literacy on student investment interest in the capital market.	The main objective of the research was to ascertain the effect of investment knowledge, minimum capital requirements, motivation, information technology, and financial literacy.	The data analysis strategy used in this inquiry was multiple linear regression analysis, which was aided by the SmartPLS version 3.0 tool.	The results of the study showed that little capital had a major influence on students' motivation in participating in the capital market. Financial literacy, investment understanding, information technology, or motivation had no bearing on students' enthusiasm in making capital market investments.
12	Ahmad, H. (2023).	Several factors affecting interest in investing in the capital market.	This study sought to ascertain and evaluate the impact of investment motivation, advantages, and education on the interest in capital market investing among student members of	Data quality assessment, classical assumption testing, multiple linear regression analysis, and hypothesis testing were the analysis techniques	The findings indicated that interest in investing in KSPM member students in the capital market was positively and significantly influenced, at least in part, by the factors of investment rewards, investment motivation, and education.

			Makassar's KSPM	used.	
13	Mellinia, S. P., Setyorini, C. T., Rokhayati, H., & Jafa, H. A. (2023).	The influence of investment knowledge, motivation, and minimum capital on investment interest	The aim of this study was to investigate the ways in which undergraduate students' excitement for the capital market is influenced by their core investing skills, willingness to participate, and minimum capital quantity.	The data were subjected to a multiple linear regression analysis using SPSS version 26	This study found that investment knowledge had a strong beneficial impact on interest in investing. In a similar vein, investing interest was strongly positively impacted by motivation. In the end, the minimum capital requirement raised interest in investments considerably.
14	Prabowo, K. S., Nurdiwaty, D., & Kurniawan, A. (2023).	The effect of investment knowledge, investment risk, and pocket money on interest in investing in the capital market	This study sought to ascertain how students' interest in capital market investing was influenced by their pocket money, investment risk, and investment knowledge.	Descriptive statistics, traditional assumption tests, multiple linear regression analysis, determinant coefficient, and hypothesis testing are examples of data analysis approaches.	The results showed that investment competence had a strong positive impact on interest in engaging in the capital market. Investment risk has no effect on the desire to make capital market investments. Pocket money greatly raised interest in capital market investment.
15	Kurniawati, M., & Pamungkas, A. S. (2023).	The effect of investment motivation, perceived risk and financial literacy on investment intention	The purpose of this study was to ascertain whether perceived risk, financial literacy, and investment motive all influenced investment intention.	The method of structural equation modeling was used to analyze the data.	The study's findings showed that perceived risk had a positive impact on investment intention, financial literacy had a positive impact on investment intention, and investment desire had a positive impact on investment intention.
16	Muliadi, S., Gustiawan, W., Hakim, H., Bahri, S., Alfiana, A. (2023).	Knowledge, risk preference and investment return on student investing interest in the Islamic capital market	The main objective of this research was to examine and demonstrate how student interest in investing is influenced by investment returns, risk tolerance, and investment expertise.	This study used to analyze the data, including validity, reliability, classic assumption, multiple linear regression, and coefficient of determination tests.	The study's findings demonstrated that student interest in investing was favorably and significantly influenced by investment knowledge and returns. Student interest in investing was not influenced by risk preference.

17	Dakota, D. A., & Putra, I. N. N. A. (2024).	The influence of investment knowledge, return, and risk on students' interest in investing in the capital market.	The purpose of this study was to examine how undergraduate students at the University of Mataram's Faculty of Economics and Business felt about risk, return, and investment expertise.	The Statistical Package for The Social Sciences (SPSS) program is used in the analytical process, which employs multiple linear regression analysis.	The research results showed that first, investment knowledge had a favorable and significant effect on investment interest. The findings of the second study demonstrated that investing interest was positively and significantly impacted by return. According to the most recent research findings, risk significantly and negatively impacted investing interest.
18	Pratama, M. A. S., & Mataram, U. (2024).	Factors influencing students' interest in investing in the Sharia capital market: A case study on students of Mataram University.	The main objective of the study was to determine the effect of motivation, investment knowledge, minimum investment amount, risk perception, return, and religion on students' interest in investing.	Multiple regression analysis was the technique used for data analysis.	The study's findings showed that variables including motivation, financial literacy, minimum investment requirements, perceptions of risk and return, and religiosity had little bearing on students' interest in participating in the sharia capital market.
19	Mubarok, F., Maelina, N., & Mulyatno, R. (2024).	The influence of investment knowledge, technological advancements, and investment motivation on investment interest among generation Z	The purpose of this study was to ascertain the relative contributions of investment motivation, investment knowledge, and technical improvements to Generation Z's interest in investing in the capital market.	Multiple regression analysis and descriptive statistical analysis were used as data analysis approaches.	The findings of this research indicate that technological advancements, investment motivation, and investment knowledge all had a significant impact on Generation Z's interest in investing in Cirebon City. Strong internal and external investment knowledge increases a student's likelihood of being interested in capital market investing.

2.3 Research Gap

The phrase "research gap" refers to the disparity between this study and previous research. While there have been some studies in other developing countries, they tend to be primarily descriptive, and none have focused on the Nepalese context. Existing research typically includes a limited number of respondents, whereas this study aims to address this gap by involving a substantial sample of 400 participants. Most previous literature has focused on only one or a few aspects of portfolio investment. Only a few studies have explored broader factors related to investing in the Nepalese capital market. Additionally, earlier research has not examined the independent variables of investment knowledge, minimum capital, risk, and motivation together, nor have they analyzed these variables in relation to students' interest in investing stock portfolio in Nepal.

Moreover, some previous studies have come up with conflicting findings. For instance, Halim et al. (2022); Mellinia et al. (2023); Efendi and Trisnawati (2023); Dakota and Putra (2024) revealed investment knowledge had significant positive impact on interest in portfolio investment in stock market whereas Hidayahti and Suwarno (2022); Oktavioni and Trisnawati (2023); Mubarok et al. (2024) found that investment knowledge had no effect on interest in investing portfolio. Further, Prabowo et al. (2023); Dakota and Putra (2024) on their part, noted a weak influence of investment risk while Efendi and Trisnawati (2023); Yasinta et al. (2022); Kurniawati and Pamungkas (2023) indicated a significant effect of investment risk on interest in investing stock market. Similarly, the. This is consistent with the finding of Abiyyu (2020); Halim et al. (2022); Hidayahti and Suwarno (2022) found investment motivation have significant positive impact one interest in portfolio investment. However, Yasinta et al. (2022); Mubarok et al. (2024) concluded that that investment motivation had negative impact on interest in investment. Given these conflicting results, it is, therefore, not clear what factors making impact on students' interest in investing such as in Kathmandu valley. The current study therefore, investigated the students' interest in investing stock portfolio in Nepal and also tries to explore the missing findings of previous studies.

CHAPTER – III
RESEARCH METHODOLOGY

Research methodology refers to the systematic approach for addressing an issue through information gathering, recording, analysis, interpretation, and reporting on different aspects of the phenomenon being studied. This work's research methodology outlines the procedures and methods used in each phase of the investigation. It encompasses research design, population and sample, sampling design, data nature and sources, data collection instruments, analysis methods, research framework, and variable definitions.

3.1 Research Design

A research design is a detailed blueprint, strategy, or framework. The study utilizes both descriptive and causal research designs. Descriptive research design is employed to outline the components of students' interest in investing portfolio among students. In contrast, causal research design is used to explore the relationship between the dependent variable (students' interest in investing portfolio) and the independent variables (investment knowledge, minimum capital, investment risk, and investment motivation). Additionally, causal research design examines how various factors influence students' interest in investing stock portfolio in Nepal.

3.2 Population and Sample, and Sampling Design

The study's population comprises students from the Kathmandu Valley, including students of various age groups, genders, and income levels. Given the large population size, it isn't feasible to test every investor, so samples were drawn for convenience to represent the population. As a result, specific colleges were chosen for the research. The sample size consists of 400 students residing in the Kathmandu Valley. The study's sample strategy used convenience sampling, which is a non-probability sampling approach. The sampling technique for the study followed non-probability sampling technique i.e. convenience sampling because the researcher has chosen those respondents to reach and get in touch with. So, it is easy way to get information easy way to get information compared to other sampling methods. The questionnaires are distributed to the respondents hand to hand and Google (form) survey method through email, website (link) and social media in Kathmandu Valley.

3.3 Nature and Sources of Data and Instruments of Data Collection

This research utilized primary data sources, collected through a survey questionnaire. A survey design was implemented by administering questionnaires to capture detailed characteristics of the participants, which proved to be an effective method for gathering data to address the research questions. The questionnaire allowed for distribution to a large population, enabling respondents to complete it independently. It included statements and questions aimed at gathering personal information, such as age and gender, as well as data related to the research variables. The questionnaire featured various question formats, including Likert scale and multiple-choice questions. The instrument is considered reliable and valid, as it comprised questions closely aligned with the research topic. Structured set of 5 point likert Scale questionnaires were distributed to the students who are investing stock portfolio in Nepal.

3.4 Method of Analysis

Descriptive statistics were employed to illustrate students' interest in portfolio investment, along with the factors and demographic characteristics of the respondents. Mean, standard deviation, frequencies, and percentages were calculated to characterize the variables effectively.

Mean

The mean, calculated by dividing the total sum of values by the number of values, represents the arithmetic average of a set of quantities. It serves as a measure of central tendency, providing insight into the data's average. The arithmetic mean is a commonly used and easily understood metric. To determine it, all data points in the population are summed and then divided by the total number of points. In this study, the mean is used to calculate the average responses of participants to the various variables presented in the Likert scale questions, with the mean value for each sample derived from the responses to these questions.

$$\text{Mean } (\bar{X}) = \frac{\Sigma X}{n}$$

Where,

$\sum X$= Value of responses of each independent or dependent variable

n = No. of statements

Standard Deviation

Standard deviation measures the dispersion of a set of data values, indicating how much the values vary or are distributed. It is calculated as the square root of the variance. One key feature of standard deviation is that it shares the same units of measurement as the data, making it more interpretable than variance. A larger standard deviation indicates greater variability within the dataset, as it signifies that data points are more spread out from the mean. In this study, the standard deviation is calculated for each sample based on the responses to the Likert scale questions.

$$\text{Standard Deviation (S.D.)} = \sqrt{\frac{\Sigma(X - \bar{X})^2}{n}}$$

Where,

X = Value of responses of each dependent or independent variable

$\bar{X}$ = Mean value of responses of each dependent or independent variable

n = No. of responses

Correlation Analysis

The correlation coefficient illustrates the relationship between two independent variables, helping to determine how they relate to each other. A significant correlation coefficient indicates that changes in one independent variable are associated with changes in the dependent variable. In this study, correlation is assessed for Likert scale responses to gauge the strength of the relationship between independent and dependent variables.

$$\text{Correlation Coefficient (r)} = \frac{n\Sigma XY - \Sigma X \Sigma Y}{\sqrt{n\Sigma X^2 - (\Sigma X)^2}\sqrt{n\Sigma Y^2 - (\Sigma Y)^2}}$$

Where,

X = Value of independent variable

Y = Value of dependent variable

n = Number of responses

Regression Analysis

Regression analysis is a statistical method used to evaluate the relationship between one or more independent variables and one or more dependent variables. It includes various techniques for modeling and assessing these relationships. In this study, regression analysis is applied to Likert scale responses to determine the direction of the association between independent and dependent variables for each sample. The theoretical model of this relationship is represented by the following equation:

$IPI = \beta_0 + \beta_1 IK + \beta_2 IRT + \beta_3 IR + \beta_4 IM + \varepsilon$

Where,

IPI= Interest in Portfolio Investment

IK = Investment Knowledge

IMC = Investment Minimum Capital

IR = Investment Risk

IM = Investment Motivation

β_0 = The intercept (constant)

β_1, β_2, $\beta_{3,}$ β_4 = Coefficient of variables

ε = Error term.

3.5 Research Framework and Definition of the Variables

Based on the theoretical and empirical literature reviews, the researcher has developed the following conceptual framework for the study.

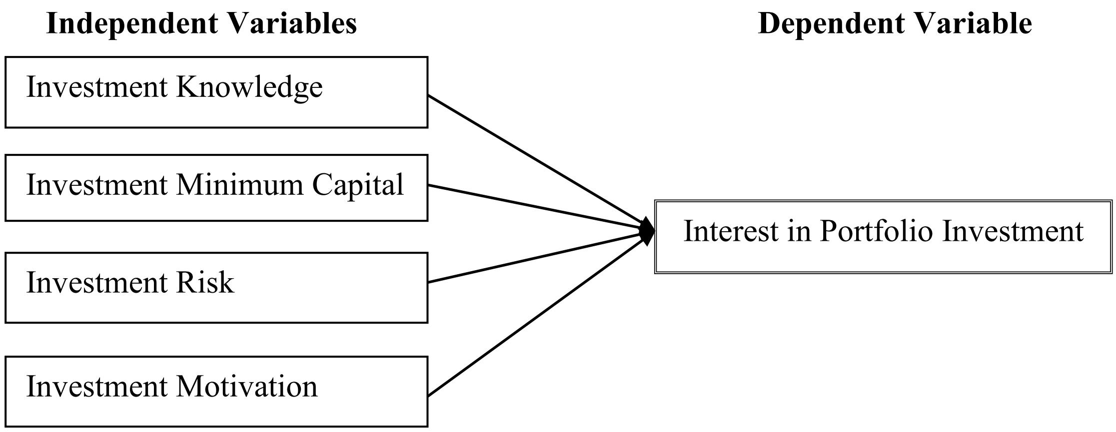

Figure 1 Research Framework of the Study

Source: (Halim et al., 2022; Hidayahti & Suwarno, 2022); Efendi & Trisnawati, 2023); Mellinia et al., 2023; Oktavioni & Trisnawati, 2023)

Independent Variables

Investment Knowledge

Knowledge refers to a person's ability to understand concepts, meanings, or situations (Haidir, 2019). For potential students, having investment knowledge is crucial. A strong understanding of investment can help prevent negative outcomes, especially regarding factors like investment types, benefits, and associated risks, which are essential for making informed investment decisions. Additionally, knowing which stocks to buy is vital to avoid losses in the capital market. Efendi and Trisnawati (2023) found that investment knowledge significantly positively influences investment interest, and Halim et al. (2022) reached a similar conclusion. However, Yasinta et al. (2022) reported that investment knowledge did not significantly affect students' investment interest in conventional capital markets.

Investment Minimum Capital

Capital budgeting is a process for making investment decisions, requiring a benchmark that evaluates the difference between the present value of money and its future value. Minimum investment capital is a crucial factor individuals consider before deciding to invest, as it involves calculating the estimated funds needed for investment; generally, a higher required minimum capital leads to increased interest in investing (Yuliati et al., 2020). Oktavioni and Trisnawati (2023) found that minimum investment capital significantly positively impacts interest in portfolio investment in the capital market.

Investment Risk

Prabowo et al. (2023) define risk as the variability of actual returns compared to expected returns, including deviations or standard deviations from anticipated outcomes. It represents the potential discrepancy between the returns received and those expected; a larger difference indicates higher investment risk. Yasinta et al. (2022) discovered that investment risk positively and significantly influences students' investment interest in conventional capital markets. Likewise, Efendi and Trisnawati (2023) also found a significant positive effect of investment risk on investment interest.

Investment Motivation

Motivation refers to the attitudes and values that drive an individual to achieve specific goals. These intangible qualities empower individuals to pursue their objectives. According to Firdaus and Ifrochah (2022), investment motivation serves as a stimulus or approach that individuals adopt in response to investment-related matters. Halim et al. (2022) found that investment motivation significantly positively influences investment interest. Similarly, Efendi and Trisnawati (2023) noted a significant positive effect of investment knowledge on investment interest. However, Yasinta et al. (2022) reported that motivation had a negative and significant effect on students' investment interest in conventional capital markets.

Dependent Variable

Interest in Portfolio Investment

Interest serves as a source of motivation that inspires individuals to pursue activities they are passionate about. When a person is genuinely interested in something, they engage in it voluntarily, without needing external encouragement. According to Haidir (2019), interest acts as a motivating force that drives people to pursue their desires when they have the freedom to choose.

CHAPTER – IV
RESULTS AND DISCUSSION

The primary aim of this study is to examine the students' interest in investing stock portfolio in Nepal, as detailed in previous chapters. This chapter is divided into three sections: the first section discusses the demographic profile, descriptive statistics, and correlation analyses of the study's variables; the second section examines the fulfillment of assumptions for the linear regression model; and the third section presents the results of the regression analysis. Furthermore, the ratio between the dependent and independent variables is calculated using data analysis algorithms suitable for ratio scales. All data analyses are conducted using SPSS version 26.

4.1 Results

4.1.1 Respondents Demographic Profile

This section focuses on the demographic analysis and interpretation of the primary data collected through surveys, including an examination of the respondents' gender profiles. All respondents are from the Kathmandu Valley.

Table 2

Demographic Profile of Respondents

No.	Items		Frequency	Percent
1	Gender of Respondents	Male	224	56
		Female	176	44
		Total	400	100
2	Age of Respondents	18-25	62	15.50
		26-30	242	60.50
		30 and above	96	24.00
		Total	400	100
3	Income Level of Respondents	Up to 300000	68	17.00
		Rs.301,000- Rs.500,000	236	59.00
		Rs.501,000 and above	96	24.00
		Total	400	100
4	Job Status of Respondents	Employed	294	73.50
		Student	106	26.50
		Total	400	100

Source: Opinion Survey, 2024

Table 2 illustrates the gender distribution of the respondents. The study gathered and analyzed data from 400 participants, all from the Kathmandu Valley. Of these respondents, 56.00 percent were male, indicating that males constitute the majority. In contrast, 44.00 percent of the respondents were female. Despite the higher number of male participants, both male and female respondents provided insights into interest in portfolio investment of investors or students in Nepalese stock market.

According to Table 2, which details the age distribution of the respondents, 60.50 percent are in the 26–30 age range in the Kathmandu Valley. The age group of 30 and older represents the smallest percentage of stock market investors. However, a significant majority of respondents are relatively young. Specifically, 15.50 percent fall within the 18–25 age group, while 24.00 percent are 36 or older. This indicates that 76.00 percent of stock market students in Nepal are young, active individuals, suggesting a strong presence of younger students in the market.

Table 2 also details the annual income levels of the respondents. It shows that 59.00 percent of participants have yearly incomes ranging from Rs.301,000 to Rs.5,00,000. Additionally, 24.00 percent of respondents earn Rs.5,01,000 or more, while the remaining 17.00 percent have incomes up to Rs.300,000.

Further, table 2 provides details about the respondents' employment status. It reveals that 43.50 percent of the participants are self-employed, while 26.50 percent are students who are also involved in business or organizational activities.

Table 3

The most Preferred Securities by Students

Security	1	2	3	4	Total	Weighted Value	Overall Rank
Ordinary Share	165	115	95	25	400	1220	1
Preferred Stock	5	48	115	232	400	626	4
Debenture	40	160	40	160	400	880	3
Mutual Fund	120	120	160	0	400	1160	2

Source: Opinion Survey, 2024

Table 3 presents students' preferences for different stock types available in the survey, including ordinary shares, preferred stocks, debentures, and mutual funds. Respondents ranked their choices from 1 to 4, reflecting their top investment preferences. The findings reveal that ordinary shares are the most preferred option among NEPSE investors and students, followed by mutual funds in second place, debentures in third, and preferred stocks in fourth. This suggests that students in Nepal may have limited knowledge about preferred stocks.

Table 4

The most Preferred Sector by Students

Sectors	1	2	3	4	5	6	7	Total	Weighted Value	Overall Rank
Commercial Banks	190	120	65	10	5	10	0	400	2450	1
Development Banks	70	85	60	100	60	15	10	400	1920	3
Finance	40	20	130	160	5	5	40	400	1755	4
Insurance	10	50	40	0	85	140	75	400	1180	5
Manufacturing	5	10	60	5	20	200	100	400	975	6
Hydropower	100	110	20	50	75	5	40	400	1935	2
Other	5	0	10	70	135	15	165	400	965	7

Source: Opinion Survey, 2024

Table 4 details students' preferences among various sectors in the Nepalese stock market. Participants ranked seven sectors: commercial banks, development banks, finance, insurance, manufacturing, hydropower, and others. The results indicate that the commercial banking sector is the most preferred for investment, followed by the hydropower sector in second place. Development banks rank third, finance fourth, insurance fifth, manufacturing sixth, and the "other" category ranks lowest, coming in seventh.

Table 5

Different Sources of Information

Sources	1	2	3	4	5	Total	Weighted Value	Overall Rank
Family and friends	100	80	160	40	20	400	1400	2
Newspaper	160	110	70	55	5	400	1565	1
Company's annual report and prospectus	70	160	20	5	145	400	1205	3
Brokerage house	55	40	80	130	95	400	1030	4
Electronic media	20	10	95	140	135	400	840	5

Source: Opinion Survey, 2024

Table 5 outlines the sources of information and their perceived reliability according to the respondents. The results show that newspapers are regarded as the most important source of information, securing the top rank in the survey. Family and friends come in second, followed by company annual reports in third, brokerage houses in fourth, and electronic media in fifth place as key information sources.

4.1.2 Summary of Descriptive Analysis

Students' interest in investing stock portfolio in Nepal is evaluated using the mean value and standard deviation for each dimension. Creswell (2012) provided reliable sources for determining the decision rule (cut-off point) for interpreting the mean values. According to Creswell, a mean value of less than 1.5 indicates extreme low, 2.5–3.5 suggests moderate, 3.5–4.5 represents high, and values above 4.5 indicate very high interest. Based on this evaluation, the researcher assigned mean scores for each category of variable descriptions.

Table 6

Summary of Descriptive Analysis

Study Variables	Mean	Std. Deviation	Evaluation of Mean Score
Investment Knowledge (IK)	3.8462	.76976	High
Investment Minimum Capital (IMP)	3.7994	.80543	High
Investment Risk (IR)	3.8231	.76691	High
Investment Motivation (IM)	3.8256	.77013	High
Interest in Portfolio Investment (IPI)	3.7500	.80898	High

Source: Appendix-II

The results of the research indicate that, as Table 6 illustrates, the interest in portfolio investment have a mean score of 3.7500, which indicates a high level. It demonstrates that every aspects element is at a high level, which range from 3.7994 to 3.8462. The elements with the highest mean score value of 3.8462 is the investment knowledge, followed by investment minimum capital, investment risk and investment motivation. The highest mean score of 3.8462 indicates that the investment knowledge are the primary focus of this investigation. The total value of the highest mean score of 3.8462 suggests that the investment knowledge is the main element in this study. Then, it's clear that the majority of students feel that their interest level of portfolio investment is high and that investment knowledge has a significant impact on their interest in portfolio investment. A total mean score of 3.7500 was obtained by the interest in portfolio investment (IPI), while investment knowledge (IK), investment minimum capital (IMC), investment risk (IR) and investment motivation (IM) received scores of 3.8462, 3.7994, 3.8231 and 3.8256 respectively.

4.1.3 Correlation Analysis

Correlation analysis is utilized to investigate the students' interest in investing stock portfolio in Nepal. The following tables illustrate the relationships between the dependent variable interest in portfolio investment and its associated factors. In this study, correlation analysis was performed to determine the connections between the variables, with the researcher calculating the correlation coefficient values using SPSS. The primary focus of the correlation analysis was to assess the overall relationships between the various factors and interest in portfolio investment.

Table 7

Pearson Correlation Coefficients of Study Variables

	IK	IMC	IR	IM	IPI
Investment Knowledge (IK)	1				
Investment Minimum Capital (IMP)	.496** (0.000)	1			
Investment Risk (IR)	.465** (0.000)	.515** (0.000)	1		
Investment Motivation (IM)	.514** (0.000)	.599** (0.000)	.447** (0.000)	1	
Interest in Portfolio Investment (IPI)	.612** (0.000)	.752** (0.000)	.667** (0.000)	.714** (0.000)	1

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Appendix-III

The results of the correlation test for both dependent and independent variables are displayed in Table 7, using a correlation coefficient matrix. The correlation analysis indicates that investment knowledge has a strong positive correlation with interest in portfolio investment, with a significant value of 0.000 and a coefficient of 0.612. Similarly, the correlation between investment minimum capital and interest in portfolio investment is 0.752, which is statistically significant at 0.000. Therefore, it is clear that investment minimum capital and interest in portfolio investment are positively related in a significant manner ($P<0.05$). Moreover, there is a notable positive correlation ($P<0.05$) between investment risk and interest in portfolio investment, shown by the correlation coefficient of 0.667, with a significant P-value of 0.000. A noteworthy finding is that there is a strong positive correlation (P<0.05) between investment motivation and interest in portfolio investment, with a correlation coefficient of 0.591 and a significant value of 0.000.

4.1.4 Multiple Regression Analysis

A range of modeling and analytical tools is used to investigate the relationship between the independent variables (investment knowledge, minimum capital, investment risk, and investment motivation) and the dependent variable (interest in portfolio investment), which reflects the interest in investing across different sectors. These tools help assess how each factor influences interest in portfolio investment.

Table 8

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.872[a]	.760	.757	.39840

a. Predictors: (Constant), IM, IR, IK, IMC

Source: Appendix-IV

The R-squared (R^2) value is 0.760, meaning that 76.00% of the variation in the dependent variable (interest in portfolio investment) is explained by the independent variables (investment knowledge, minimum capital, investment risk, and investment motivation). Additionally, the R-value is 0.872, indicating a strong relationship between the study variables. This suggests that the independent variables significantly influence interest in portfolio investment. The standard error of the estimate is closely tied to regression analysis and reflects the accuracy of the predictions generated by the regression model. In summary, the high R-squared value and strong R-statistic indicate that the independent variables collectively explain a significant portion of the variability in interest in portfolio investment, demonstrating their significantly influence.

Table 9

Analysis of Variance (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	198.431	4	49.608	312.548	.000[b]
	Residual	62.694	395	.159		
	Total	261.125	399			

a. Dependent Variable: IPI
b. Predictors: (Constant), IM, IR, IK, IMC

Source: Appendix-IV

The findings suggest that interest in portfolio investment is significantly impacted by the independent variables. This is evidenced by the F-value of 312.548 ($p = 0.000 < 0.05$), which indicates a statistically significant relationship between investment knowledge, investment minimum capital, investment risk and investment motivation with the dependent variable (interest in portfolio investment). The low p-value confirms that the overall model is highly significant and that these factors collectively have a strong effect on interest in portfolio investment.

Table 10

Regression Coefficient of Independent Variables on Interest in Portfolio Investment

Variables	Coefficients	t-statistics	Sig. or p-value
(Constant)	-.548	-4.351	.000
Investment Knowledge (IK)	.161	4.969	.000
Investment Minimum Capital (IMP)	.355	10.584	.000
Investment Risk (IR)	.296	9.281	.000
Investment Motivation (IM)	.314	9.157	.000

a. Dependent Variable: IPI

Source: Appendix-IV

Table 10 shows the regression coefficient for investment knowledge, investment minimum capital, investment risk and investment motivation, as well as the intercept value for the dependent variable of interest in portfolio investment. The regression coefficient β for investment knowledge is 0.161. Based on the results, an increase of 0.161 units in investment knowledge leads to an increase in interest in portfolio investment by one unit. The investment knowledge has a p value of 0.000, indicating statistical significance at the 5 percent level. So, investment knowledge has significant positive impact on interest in portfolio investment. The regression coefficient β for investment minimum capital is 0.355. Based on the data, the interest in portfolio investment is raised by 0.355 units with each unit alteration in investment minimum capital. Moreover, the shift shows statistical significance at the five percent significance level, with a p value of 0.000 attributed to the investment minimum capital. Therefore, investment minimum capital has a notable positive impact on interest in portfolio investment.

The beta coefficient for investment risk in regression is 0.296. These figures indicate that each one unit rise in an investment risk results in a 0.296 unit increase in interest in portfolio investment. At the 5 percent significance level, a p value of 0.000 for the investment risk shows they are statistically important. Hence, investment risk has significant positive effect on the interest in portfolio investment. Finally, in terms of investment motivation, the regression coefficient β equals 0.314. The interest in portfolio investment shows an increase of 0.314 units with each additional investment motivation, as indicated by the data. The p value of investment motivation is 0.000, demonstrating statistical significance at the five percent level. Consequently, the influence of investment motivation on interest in portfolio investment is significant positive.

4.2 Discussion

The main purpose of this study is to evaluate the students' interest in investing stock portfolio in Nepal. It focuses on several key factors: investment knowledge, minimum capital, investment risk, and investment motivation. The study also highlights the relationships between these factors and interest in portfolio investment. Existing research and past studies support the connection between investment knowledge, minimum capital, investment risk, and investment motivation, confirming that these factors directly influence interest in portfolio investment.

The data analysis reveals that investment knowledge has a positive and significant relationship with interest in portfolio investment. This finding is consistent with Efendi and Trisnawati (2023), who also reported a positive and significant link between investment knowledge and interest in portfolio investment, and is supported by Dakota and Putra (2024). However, it contradicts with the finding of Hidayahti and Suwarno (2022) concluded that investment knowledge had negative relationship with interest in investment. Similarly, investment minimum capital shows a positive and statistically significant relationship with interest in portfolio investment. This is consistent with Hidayahti and Suwarno (2022), who found a positive relationship between investment minimum capital and interest in portfolio investment, and is also corroborated by Yasinta et al. (2022); Oktavioni and Trisnawati (2023). However, this finding contrasts with the finding of Hidayahti and Suwarno (2022) who reported a negative relationship between investment minimum capital and interest in portfolio investment.

There is significant positive relationship of investment risk and interest in portfolio investment. The result is line with the findings of Efendi and Trisnawati (2023) mentioned that investment risk have positive and significant positive relationship with interest in portfolio investment. The result is also consistent with Yasinta et al. (2022); Kurniawati and Pamungkas (2023). At the same time, there is positive and significant relationship of investment motivation and interest in portfolio investment. This finding is similar with the previous study of Halim et al. (2022); Hidayahti and Suwarno (2022) concluded that investment motivation has positive relationship with interest in portfolio investment. The result is also consistent with Oktavioni and Trisnawati (2023); Kurniawati and Pamungkas (2023). However, it contradicts with the finding of However, it contradicts with the finding of Hidayahti and Suwarno (2022) which observed that investment motivation have negative relationship with interest in portfolio investment.

The multiple regression analysis found that investment knowledge has significant positive impact on interest in portfolio investment in stock market. This is consistent with the finding of Halim et al. (2022). The result is also consistent with Mellinia et al. (2023); Efendi and Trisnawati (2023); Dakota and Putra (2024) but opposite to the finding of Hidayahti and Suwarno (2022); Oktavioni and Trisnawati (2023); Mubarok et al. (2024). Likewise, the investment minimum capital has significant positive impact on interest in portfolio investment in stock market. This finding is similar with the prior study of Hidayahti and Suwarno (2022). This result is also consistent with the finding of Mellinia et al. (2023) found that investment minimum capital had significant positive impact on interest in portfolio investment. The result is also consistent with Yasinta et al. (2022); Oktavioni and Trisnawati (2023). Further, the investment risk has significant positive impact on interest in portfolio investment. This result is consistent with the finding of Efendi and Trisnawati (2023). Moreover, this study also line with the prior study of Yasinta et al. (2022); Kurniawati and Pamungkas (2023) mentioned that investment risk had significant positive influence on interest in portfolio investment but opposite to the finding of Prabowo et al. (2023); Dakota and Putra (2024). Finally, the investment motivation have significant positive impact one interest in portfolio investment. This is consistent with the finding of Abiyyu (2020); Halim et al. (2022); Hidayahti and Suwarno (2022). This is also similar with the finding of Efendi and Trisnawati (2023); Mellinia et al. (2023); Oktavioni and Trisnawati (2023); Kurniawati and Pamungkas (2023). However, this is inconsistent with the findings of Yasinta et al. (2022); Mubarok et al. (2024) concluded that that investment motivation had negative impact on interest in investment.

CHAPTER – V
SUMMARY AND CONCLUSION

5.1 Summary

The capital market in Nepal is currently experiencing moderate growth and has developed at an impressive pace in recent years, aligning with global financial markets. It consists of two segments: the Primary Market and the Secondary Market. The primary market is where new securities are issued, while the secondary market facilitates trading among students. The primary market serves as the main avenue for companies to mobilize family savings for investment purposes. The capital market plays a crucial role in stimulating financial and industrial activity by providing the government and businesses with access to long-term funding. It introduces new securities to the secondary market, broadening its base and increasing trading volume. The secondary market reflects the overall economic state and offers liquidity for securities investments. When individuals lack motivation or interest, they are unlikely to invest their money. Conversely, when people have surplus funds, they are more inclined to invest rather than save, as investing is viewed as essential.

The major objective of the study is to examine the interest in portfolio investment of students in Nepal stock market. The other specific objectives of this study are to examine the level of students' interest in investing in Nepalese stock market, to analyze the relationship between different factors such as investment knowledge, investment minimum capital, investment risk and investment motivation with students' interest in investing in Nepalese stock market and to assess the impact of investment knowledge, investment minimum capital, investment risk and investment motivation on students' interest in investing in Nepalese stock market. This research employs a descriptive research design to analyze the characteristics and current status of various factors that influence interest in portfolio investment in the Nepalese stock market. A causal research design is also used to assess how these factors impact interest in portfolio investment. While the entire investor population in the Kathmandu Valley, representing various sectors listed on NEPSE, is considered, only 400 students were sampled for this study. Primary data is used to collect information from students regarding the factors influencing their interest in portfolio investment in the Nepalese stock market. The study employs SPSS version 26 to perform descriptive analysis, correlation analysis, and multiple regression. Interest in portfolio investment is treated as the dependent variable, while investment knowledge, minimum capital, investment risk, and investment motivation are considered as independent variables.

This research indicates that students believe both investment knowledge and investment motivation significantly influence their interest in portfolio investment, which they perceive as important. The correlation analysis reveals a strong relationship between investment knowledge and interest in portfolio investment. Additionally, investment minimum capital shows a significant positive relationship with interest in portfolio investment. Similarly, investment risk is positively correlated with interest in portfolio investment. Furthermore, there is a strong positive correlation between investment motivation and interest in portfolio investment. The regression analysis reveals a significant positive impact of investment knowledge on interest in portfolio investment. Additionally, investment minimum capital also positively influences interest in portfolio investment. Meanwhile, both investment risk and investment motivation significantly enhance interest in portfolio investment. In conclusion, these influencing factors have a considerable impact on interest in portfolio investment, with all factors collectively affecting students' interest in the stock market.

5.2 Conclusion

This study concluded that investment knowledge, minimum capital, investment risk, and investment motivation are the main influences on interest in portfolio investment. Specifically, the study revealed that students perceive investment knowledge and investment motivation as having a stronger impact on their interest in portfolio investment compared to other factors.

The correlation analysis concluded that investment knowledge has significant position relationship with interest in portfolio investment. Likewise, investment minimum capital has significant positive relationship with interest in portfolio investment. At the meantime, there is significant positive association between investment risk and interest in portfolio investment. Finally, correlation value between investment motivation and the interest in portfolio investment is significant positive.

The regression results further concluded that the effect of investment knowledge on interest in portfolio investment is significant positive. Then, there is also significant positive effect of investment minimum capital on interest in portfolio investment. At the meantime, investment risk has significant positive impact on interest in portfolio investment. Moreover, investment motivation has significant positive effect on interest in portfolio investment. Therefore, all the factors are the major indicators of interest in portfolio investment of students because these factors have significant impact.

5.3 Implications

The study has the following implications;

- This study found that investment knowledge, investment minimum capital, investment risk and investment motivation have the significant positive influence on interest in portfolio investment. The study's results encouraged the Nepal Stock Exchange to strengthen its efforts in educating students, as this is vital for preventing negative investment outcomes influenced by various factors. Engaging in seminars on accounting and finance is essential for improving accounting skills, which in turn enhances the ability to evaluate securities prior to making investments.
- Further, it is also expected that the study's conclusions will be a helpful resource for students, as investment galleries help educate them. Furthermore, the study's findings ought to stimulate students’ curiosity about investing in a variety of sectors.
- The analysis results will ultimately benefit the government by enhancing market efficiency and addressing investor demands through the identification of key factors, which can inform revisions to relevant laws and policies.
- Focusing on investment-related events such as workshops, seminars, and competitions is an effective strategy to engage potential new students in the capital market and foster an investment culture.
- This study only assessed the influence of fundamental investment knowledge, investment minimum capital, investment risk and investment motivation on interest in portfolio investment, leaving out other possibly significant aspects.

Further investigation into elements like market movements, psychological aspects, and social media influence could provide a more thorough knowledge of individual investment behavior.

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