JOURNALISM, POLITICS AND SOCIETY
e-ISSN: 3005-527X , p-ISSN: 3005-5261
Volume 01, Issue 04, December 2023, Pages 285-294
DOI: https://doi.org/10.63067/kr0ysx96
Journal Homepage: https://jpolas.com

Investigating Risky Investment Decisions: The Co-existence of Financial Know, Risk Appetite, and Planned Behaviour

Muhammad Umer Malik[1]
[1]MS Scholar, Bahria Business School, Bahria University Islamabad, Pakistan.
Email: umer.malik81@hotmail.com

Abstract
This study examines financial knowledge and risk foundation affect the choice of university students to invest in risky business. The tests indicate a likely link between financial literacy and higher risk tolerance levels, greater investment inclination, and more confidence in personal control over financial matters. Nonetheless, experiment didn't reveal that cognitive biases that influence risk perception mediate (moderate) relationship between financial education and whether people tend to invest in risky ways. The report declares that financial knowledge should be some obligatory training for students given only the increase of financial knowledge and risk perception together is capable to help young investors make right decisions.

Keywords: investment decision, financial literacy, risk appetite, behaviour

1. Introduction

Risky investment is the term used for investment tools whose returns are not guaranteed. Instead, they fluctuate and can cover a wide range between the extremes (Young In et al., 2022). For example, when considering a risky investment, the investor needs to know how much money she will be able to gain from putting the money in such an investment (Abu and Elshaer, 2023). The risk is that s/he could lose the money invested by themself. The massive individual engagement in the investment process today, as compared to several years back, is a clear indication. Nevertheless, the high risk amounted to the entire understanding of the financial facts of young ones. University students being caught in the middle (Abu and Elshaer, 2023) reflected the large portion who needed an adequate level of literacy on essential issues about money management and the cornerstone of economic principles that investment requires. On the other hand, the researchers Yee, Al-Mulali and Ling (2021) believed that attitude towards behaviour, subjective norms, perceived behavioural control, and risk propensity were the factors that influenced the behavioural investment intention among future investors that, in turn, influenced actual investment behaviour.

1.1 Research Problem

The study of Risk-Taking, Financial Knowledge, and Intentions Regarding Risky Investment brings more to the matter of the specific mechanisms in which financial knowledge and risk-taking behaviour play their part in investment decision-making (Molina-García et al., 2023). As a research concern, attracting the attention of experts to the possibility of narrow analysis, covering the issue of the specific role of risk perception and financial literacy provided variability of propensity to risk concerning the investment intentions.

1.2 Research Objectives

- To explore the aim of the study is to establish the role of risk perception in moderating and mediating the linkage between financial knowledge, risky investment decisions, and risk-taking behavior.

- To explore which key trait, critical thinking or financial knowledge, has a higher impact on the correlation between propensity for risk and tendency to take on risky investments.

1.3 Research Questions

- What is the risk perception threshold that crosses the connection between financially competent individuals, risky attitudes, and willingness to do risky investment objects?
- How is there any association between the level of financial literacy and the standpoint of whether inclined to risky high-risk investments?

2. Theoretical Background

The coexisting Financial Risk, Risk appetite, and planned behaviour are based on the technology of planned behaviour and the concept of the psychological theory that was developed to the explanation go how particular attitudes, subjective norms, and perceived behavioural controls influence behavior (Abu and Elshaer, 2023). The risky informed decision from the TPB could be understanding to the practice financial knowledge risk tolerance which influencer intentioned to raise the risk investment.

Financial Knowledge

Financial knowledge has been a crucial factor in financial decision making particularly in the ability to understand the usage of financial concepts (Bayar, et al., 2020). The prior research has considered that financial literacy could be predicted by financial risk-taking behaviour the study formed the finding of sufficient links between financial risk tolerance. At the same time, the other variables were found to be negative correlations (Abu and Elshaer, 2023). This is considered as financial literacy can be a complicit relationship with the risk-taking behaviour that individual differences in risk perception and financial literacy play a role in the relationship.

Risk Perception and Risk-Taking Behaviour

Risk perception and risk-taking behaviour will also be the other areas of study. Financial literacy is an independent variable, risk perception is a moderating and mediating variable, and risk-taking is the dependent variable (NAIWEN et al., 2021). While one person learns to keep and manage their money efficiently, the process of analyzing risks and taking risks comes automatically as a part of the financial education program (Abu and Elshaer, 2023). The study will, moreover, investigate the role of critical thinking as it is considered the fundamental skill that can affect financial behaviour and risk-taking.
The research investigated the limit of the risk perception, which makes the relationship between the dispositors financially self-efficient, risky moves, and takes on risky capital assets appealing (Abu and Elshaer, 2023). The research demonstrated the role of risk perception, which is a moderator in the connection between financial knowledge and risk-taking behaviour. In addition to this, the study will also determine the mediating influence of risk perception on the relationship between financial literacy on risk-taking behaviour.

TPB is considered the Mediator between Financial Knowledge and Risk Investment

The present study aims to deconstruct the mechanism of risk awareness in moderating and mediating the correlation between financial comprehension, risky investment transactions, and risk-taking action (Tareke, 2024). This study is going to research the threshold of risk perception which can influence both the way that financially competent people perceive investments and the level of risk-taking attitude the investors apply in their riskier financial decisions. Moreover, the research will explore the agenda between the level of financial literacy and the behaviour of risky investments in high risk.

Risk-taking Moderator Variable

The risk led to the risk of risky investment than the traditional investment. The more significant risks were considered a more prominent risk from the return on investment. A study also demonstrated the particular risk as their higher intentions towards investment (Solikin and Nugraha, 2020). Numerous studies related to behavioural finance have been relevant to the inventory-taking behaviour affected by

the desire for readiness or aversion to risky investment alternatives. Moreover, the assets by the person's probability of making an investment that was decreased to the risk perception raised from the actual opposite (Abu and Elshaer, 2023). The larger the person's risk perception, was more likely to be retained in the risky investment and visa versa.

3. The Conceptual Framework

The conceptual framework model for the investing of risky investment decisions is based on the theory of planned behaviour with risky investment intentions.

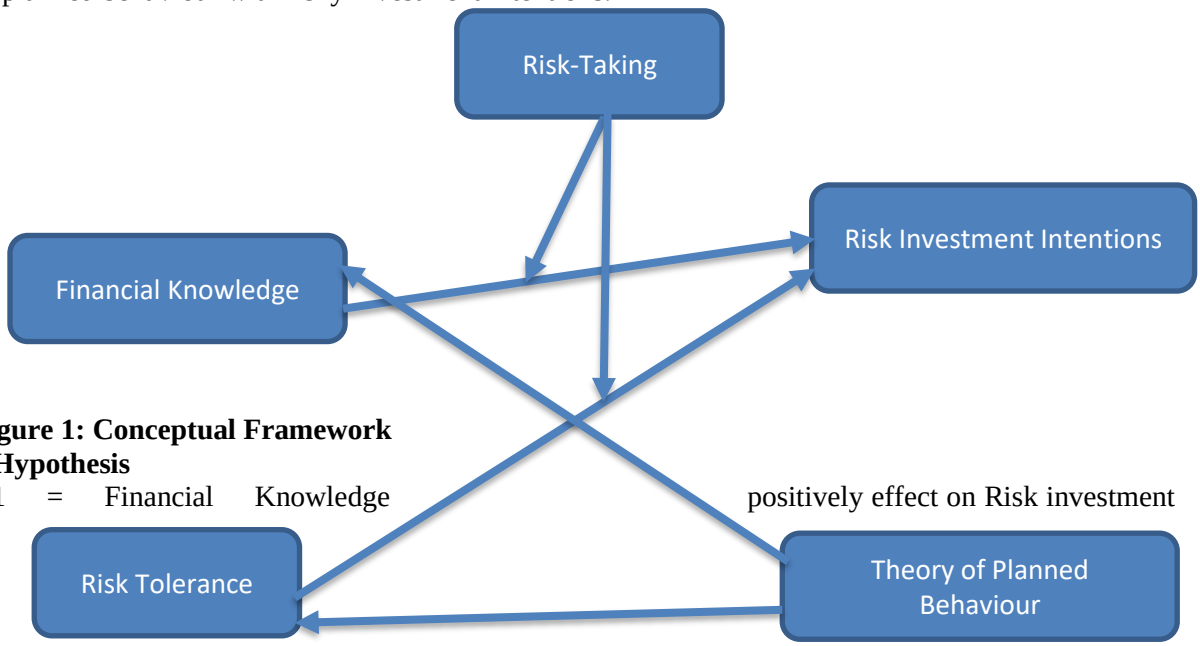

Figure 1: Conceptual Framework

Hypothesis

H1 = Financial Knowledge positively effect on Risk investment intentions.

H2 = Risk tolerance positively effect on Risk investment intentions.

H3 = TPB has contracted as the mediate relationship between financial knowledge, risk tolerance and risk investment intentions.

H4 = Risk taking moderating the relationship between TPB contracted and Risk investment intentions.

4. Research Methodology

This study developed the link between financial knowledge among university students and risky investment through the mediating role of the theory of planned behaviour and the moderating role of risk-taking as their personality trait (Boonroungrut and Huang, 2021).

Research design

This study chose a quantitative method to collect the data from the online questionnaire further for measuring results.

Sample Size

This study is considered for gathering the data from a 50-participants sample of the subjects that were enrolled in the recess. It is pooled from the combination of a Structured questionnaire with the 5 Likert scale option that allows the researcher to collect the data in a simple method of data collection.

4 Data Analysis

The data analysis for this study chooses different approaches, typically in the way of making use of the SPSS applications for statistical analysis and hypothesis testing as well as making generalizations in a broader population. The account may have data because descriptive statistics will be performed with correlation, regression, t-tests, and one-way analysis of variance (ANOVA), so it will be possible to determine the relationships between the variables and to test the hypothesis. A statistical approach of structural equation modelling (SEM) can be used to examine the mediating and moderating relations

among the variables.

Ethical considerations

The questionnaire should provide the necessary assurance of the privacy and confidentiality of the respondents. This survey must be compulsorily cleanup of all personal information pieces linked to the respondent's identity. The provision of clear guidelines and informed consent to the respondents prior to providing their insights through the survey presupposes ensuring the survey instructions are clear.

Analysis of the results

This study proposed the multi-tasking method to evaluate the to find the linked between independent and dependent variables. However, the use of the SPSS applications for statistical analysis and hypothesis testing and the Statistical approach of structural equation modelling (SEM) can be used to examine the mediating and moderating relations among the variables.

Correlation

The correlation comedian indicates the storing and direction of the linear relation between the two variables. This study implies the significant mention values, which are considered as the considerable difference between the independent and dependent variables.

Table 1: Correlation Test

Correlations

		1. I feel confident in my ability to compare different investment options and assess their risk-reward profiles.	2. I am knowledgeable about the terminology used in financial markets and investment instruments.	3. I can identify different investment strategies and understand their suitability for various financial goals.	4. I am comfortable with the idea of my investment portfolio experiencing some short-term fluctuations in value.	5. I prioritise the potential for long-term growth over guaranteed, low-risk returns.	6. I am willing to accept a higher level of risk in exchange for the possibility of achieving greater investment returns.	7. I am open to allocating a portion of my portfolio to high-risk, high-reward opportunities, such as emerging markets or startup companies.	8. I would consider using investment strategies that involve leverage (borrowing money) to potentially magnify potential gains.	9. I am interested in learning more about complex financial instruments, such as options or cryptocurrency, even if I have limited personal experience with them.	10. I find myself drawn to exciting experiences and activities, even if they involve some risk of danger or failure.	11. I prefer to take calculated risks in different aspects of my life, such as career choices or personal ventures.	12. New and challenging situations energise me, and I am not easily discouraged by potential setbacks.	13. Investing in risky assets is a wise and effective strategy for achieving my long-term financial goals. (Attitude)	14. I feel optimistic and enthusiastic about the potential benefits of investing in risky assets. (Attitude)	15. The people whose opinions I value would be supportive of my decision to invest in risky assets (Subjective Norm)	16. My close friends and family would actively encourage me to invest in risky assets if I expressed interest. (Subjective Norm)	17. I am confident in my ability to manage the risks associated with investing in high-risk, high-reward opportunities. (Perceived Behavioural Control)	18. I believe I have the necessary research skills and financial knowledge to make informed decisions about risky investments. (Perceived Behavioural Control)
1. I feel confident in my ability to compare different investment options and assess their risk-reward profiles.	Pearson Correlation	1	.420**	.620**	.087	.550**	.517**	-.066	.277	.088	.345*	.108	-.113	-.319*	.118	.108	-.077	.025	.382**
	Sig. (2-tailed)		.002	<.001	.549	<.001	<.001	.648	.052	.546	.014	.456	.436	.024	.416	.454	.596	.865	.006
	N	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
2. I am knowledgeable about the terminology used in financial markets and investment instruments.	Pearson Correlation	.420**	1	.540**	-.047	.516**	.452**	.291*	.024	.106	.146	.256	.039	.220	-.040	.462**	-.032	.233	.644**
	Sig. (2-tailed)	.002		<.001	.747	<.001	<.001	.040	.871	.465	.313	.073	.786	.125	.781	<.001	.828	.104	<.001
	N	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
3. I can identify different investment strategies and understand their suitability for various financial goals.	Pearson Correlation	.620**	.540**	1	.126	.470**	.570**	-.091	.165	-.017	.214	.036	-.032	-.235	-.033	-.003	-.258	-.012	.408**
	Sig. (2-tailed)	<.001	<.001		.382	<.001	<.001	.528	.252	.905	.135	.805	.825	.101	.821	.981	.071	.935	.003
	N	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
4. I am comfortable with the idea of my investment portfolio experiencing some short-term fluctuations in value.	Pearson Correlation	.087	-.047	.126	1	.311*	.384**	.295*	.502**	.311*	.388**	.453**	.265	.025	.257	-.066	.088	.073	.055
	Sig. (2-tailed)	.549	.747	.382		.028	.006	.038	<.001	.028	.005	<.001	.063	.864	.072	.650	.545	.617	.704
	N	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
5. I prioritise the potential for long-term growth over guaranteed, low-risk returns.	Pearson Correlation	.550**	.516**	.470**	.311*	1	.573**	.208	.250	.261	.254	.438**	.081	-.134	.221	.165	-.130	.080	.378**
	Sig. (2-tailed)	<.001	<.001	<.001	.028		<.001	.147	.080	.067	.075	.003	.576	.354	.123	.251	.368	.582	.007
	N	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
6. I am willing to accept a higher level of risk in exchange for the possibility of achieving greater investment returns.	Pearson Correlation	.517**	.452**	.570**	.384**	.573**	1	.204	.320*	.133	.391**	.334*	.151	-.047	.165	.269	.102	-.042	.427**
	Sig. (2-tailed)	<.001	<.001	<.001	.006	<.001		.156	.024	.359	.005	.018	.295	.743	.251	.059	.479	.770	.002
	N	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
7. I am open to allocating a portion of my portfolio to high-risk, high-reward opportunities, such as emerging markets or startup companies.	Pearson Correlation	-.066	.291*	-.091	.295*	.208	.204	1	.434**	.454**	.276	.542**	.521**	.389**	.079	.302*	.270	.391**	.445**
	Sig. (2-tailed)	.648	.040	.528	.038	.147	.156		.002	<.001	.052	<.001	<.001	.005	.588	.033	.058	.005	.001
	N	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
8. I would consider using investment strategies that involve leverage (borrowing money) to potentially magnify potential gains.	Pearson Correlation	.277	.024	.165	.502**	.250	.320*	.434**	1	.394**	.570**	.438**	.353*	.007	.247	.049	-.072	.048	.108
	Sig. (2-tailed)	.052	.871	.252	<.001	.080	.024	.002		.005	<.001	.001	.012	.959	.084	.735	.621	.742	.457
	N	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
9. I am interested in learning more about complex financial instruments, such as options or cryptocurrency, even if I have limited personal experience with them.	Pearson Correlation	.088	.106	-.017	.311*	.261	.133	.454**	.394**	1	.410**	.654**	.176	-.027	.263	.197	.000	.391**	.046
	Sig. (2-tailed)	.546	.465	.905	.028	.067	.359	<.001	.005		.003	<.001	.220	.855	.065	.171	1.000	.005	.750
	N	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
10. I find myself drawn to exciting experiences and activities, even if they involve some risk of danger or failure.	Pearson Correlation	.345*	.146	.214	.388**	.254	.391**	.276	.570**	.410**	1	.560**	.211	-.120	.473**	.367**	.000	.402**	.209
	Sig. (2-tailed)	.014	.313	.135	.005	.075	.005	.052	<.001	.003		<.001	.142	.405	<.001	.009	1.000	.004	.144
	N	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
11. I prefer to take calculated risks in different aspects of my life, such as career choices or personal ventures.	Pearson Correlation	.108	.256	.036	.453**	.438**	.334*	.542**	.438**	.654**	.560**	1	.417**	.091	.172	.218	.042	.469**	.360*
	Sig. (2-tailed)	.456	.073	.805	<.001	.003	.018	<.001	.001	<.001	<.001		.003	.529	.233	.129	.771	<.001	.010
	N	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
12. New and challenging situations energise me, and I am not easily discouraged by potential setbacks.	Pearson Correlation	-.113	.039	-.032	.265	.081	.151	.521**	.353*	.176	.211	.417**	1	.336*	.107	.145	.120	.231	.287*
	Sig. (2-tailed)	.436	.786	.825	.063	.576	.295	<.001	.012	.220	.142	.003		.017	.460	.314	.407	.106	.043
	N	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
13. Investing in risky assets is a wise and effective strategy for achieving my long-term financial goals. (Attitude)	Pearson Correlation	-.319*	.220	-.235	.025	-.134	-.047	.389**	.007	-.027	-.120	.091	.336*	1	.076	.256	.495**	.039	.368**
	Sig. (2-tailed)	.024	.125	.101	.864	.354	.743	.005	.959	.855	.405	.529	.017		.601	.073	<.001	.790	.008
	N	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
14. I feel optimistic and enthusiastic about the potential benefits of investing in risky assets. (Attitude)	Pearson Correlation	.118	-.040	-.033	.257	.221	.165	.079	.247	.263	.473**	.172	.107	.076	1	.310*	.245	.124	-.132
	Sig. (2-tailed)	.416	.781	.821	.072	.123	.251	.588	.084	.065	<.001	.233	.460	.601		.028	.086	.391	.362
	N	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
15. The people whose opinions I value would be supportive of my decision to invest in risky assets. (Subjective Norm)	Pearson Correlation	.108	.462**	-.003	-.066	.165	.269	.302*	.049	.197	.367**	.218	.145	.256	.310*	1	.253	.403**	.350*
	Sig. (2-tailed)	.454	<.001	.981	.650	.251	.059	.033	.735	.171	.009	.129	.314	.073	.028		.076	.004	.013
	N	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
16. My close friends and family would actively encourage me to invest in risky assets if I expressed interest. (Subjective Norm)	Pearson Correlation	-.077	-.032	-.258	.088	-.130	.102	.270	-.072	.000	.000	.042	.120	.495**	.245	.253	1	.309*	.388**
	Sig. (2-tailed)	.596	.828	.071	.545	.368	.479	.058	.621	1.000	1.000	.771	.407	<.001	.086	.076		.029	.005
	N	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
17. I am confident in my ability to manage the risks associated with investing in high-risk, high-reward opportunities. (Perceived Behavioural Control)	Pearson Correlation	.025	.233	-.012	.073	.080	-.042	.391**	.048	.391**	.402**	.469**	.231	.039	.124	.403**	.309*	1	.428**
	Sig. (2-tailed)	.865	.104	.935	.617	.582	.770	.005	.742	.005	.004	<.001	.106	.790	.391	.004	.029		.002
	N	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
18. I believe I have the necessary research skills and financial knowledge to make informed decisions about risky investments. (Perceived Behavioural Control)	Pearson Correlation	.382**	.644**	.408**	.055	.378**	.427**	.445**	.108	.046	.209	.360*	.287*	.368**	-.132	.350*	.388**	.428**	1
	Sig. (2-tailed)	.006	<.001	.003	.704	.007	.002	.001	.457	.750	.144	.010	.043	.008	.362	.013	.005	.002	
	N	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50

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

*. Correlation is significant at the 0.05 level (2-tailed).

T-test

The t-test provides the statistical differences between the mean and the knowledge of the hypothesis value from the mean of the population. However, this student relates to the financial knowledge, Risk golden and the investment behove by the student. This source indicates a generally positive attitude towards risk-taking and confidence in financial decision-making, which, with a favourable increase in investing risky assets from potential long-term gain.

Table 2: One Sample T-test

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
1. I feel confident in my ability to compare different investment options and assess their risk-reward profiles.	50	3.86	.729	.103
2. I am knowledgeable about the terminology used in financial markets and investment instruments.	50	3.90	.886	.125
3. I can identify different investment strategies and understand their suitability for various financial goals.	50	4.06	.652	.092
4. I am comfortable with the idea of my investment portfolio experiencing some short-term fluctuations in value.	50	4.14	.639	.090
5. I prioritise the potential for long-term growth over guaranteed, low-risk returns.	50	4.10	.647	.091
6. I am willing to accept a higher level of risk in exchange for the possibility of achieving greater investment returns.	50	4.02	.820	.116
7. I am open to allocating a portion of my portfolio to high-risk, high-reward opportunities, such as emerging markets or startup companies.	50	4.04	.727	.103
8. I would consider using investment strategies that involve leverage (borrowing money) to potentially magnify potential gains.	50	3.96	.781	.111
9. I am interested in learning more about complex financial instruments, such as options or cryptocurrency, even if I have limited personal experience with them.	50	4.10	.544	.077
10. I find myself drawn to exciting experiences and activities, even if they involve some risk of danger or failure.	50	4.08	.695	.098
11. I prefer to take calculated risks in different aspects of my life, such as career choices or personal ventures.	50	4.08	.665	.094
12. New and challenging situations energise me, and I am not easily discouraged by potential setbacks.	50	4.16	.468	.066
13. Investing in risky assets is a wise and effective strategy for achieving my long-term financial goals. (Attitude)	50	4.08	.566	.080
14. I feel optimistic and enthusiastic about the potential benefits of investing in risky assets. (Attitude)	50	4.20	.571	.081
15. The people whose opinions I value would be supportive of my decision to invest in risky assets. (Subjective Norm)	50	4.02	.553	.078
16. My close friends and family would actively encourage me to invest in risky assets if I expressed interest. (Subjective Norm)	50	4.00	.728	.103
17. I am confident in my ability to manage the risks associated with investing in high-risk, high-reward opportunities. (Perceived Behavioural Control)	50	4.08	.634	.090
18. I believe I have the necessary research skills and financial knowledge to make informed decisions about risky investments. (Perceived Behavioural Control)	50	3.84	.650	.092

Regression

Table 3: Model Summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.571[a]	.326	.232	.638	.326	3.462	6	43	.007

a. Predictors: (Constant), 6. I am willing to accept a higher level of risk in exchange for the possibility of achieving greater investment returns., 4. I am comfortable with the idea of my investment portfolio experiencing some short-term fluctuations in value., 2. I am knowledgeable about the terminology used in financial markets and investment instruments., 1. I feel confident in my ability to compare different investment options and assess their risk-reward profiles., 5. I prioritise the potential for long-term growth over guaranteed, low-risk returns., 3. I can identify different investment strategies and understand their suitability for various financial goals.

b. Dependent Variable: 7. I am open to allocating a portion of my portfolio to high-risk, high-reward opportunities, such as emerging markets or startup companies.

The computed R Square value is indicated as 0.571, which indicates the moderating correlation between the variables. However, the R square medium of extent forms the linear link between the internet and the dependent variable, which is shown by a calculated R-square of 0.326.

Table 4: ANOVA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.443	6	1.407	3.462	.007[b]
	Residual	17.477	43	.406		
	Total	25.920	49			

a. Dependent Variable: 7. I am open to allocating a portion of my portfolio to high-risk, high-reward opportunities, such as emerging markets or startup companies.

The table has shown computed significant value is less than the p-value or 0.07, indicating sufficient evidence to reject the null hypothesis. Furthermore, the F-value mean is computed at 3.462, signifying to rejection of the null hypothesis.

Table 5: Correlation Coefficient

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.672	.835		3.200	.003
	1. I feel confident in my ability to compare different investment options and assess their risk-reward profiles.	-.145	.175	-.146	-.831	.411
	2. I am knowledgeable about the terminology used in financial markets and investment instruments.	.415	.138	.505	3.015	.004
	3. I can identify different investment strategies and understand their suitability for various financial goals.	-.463	.202	-.415	-2.286	.027
	4. I am comfortable with the idea of my investment portfolio experiencing some short-term fluctuations in value.	.360	.167	.316	2.151	.037
	5. I prioritise the potential for long-term growth over guaranteed, low-risk returns.	.048	.201	.043	.241	.811
	6. I am willing to accept a higher level of risk in exchange for the possibility of achieving greater investment returns.	.125	.160	.141	.781	.439

a. Dependent Variable: 7. I am open to allocating a portion of my portfolio to high-risk, high-reward opportunities, such as emerging markets or startup companies.

The tendency of correlation between the study's independent and dependent variables is predicted from the coefficient table. The independent variable, like financial Knowledge calculated as 0.415, which indicates the 1 unit rise of the independent variable, the dependent variable, i.e. Risk investment intention, would change from 0.415. The independent variable, like risk tolerance calculated as 0.360, which indicates the 1 unit rise of the independent variable. The dependent variable, i.e. Risk investment intention, would change from 0.360. the alpha is considered with the threshold value of 0.05 indicating the substantial correlation between the student variables.

The Structure Modeling

The findings considered that financial knowledge exerted considerable positive impact on attitude towards risky investment ($\beta = 0.286$, t-value = 0.07, and $p < -0.056$), on investment behaviour ($\beta = 0.5633$, t-value = 7.46, and $p < 0.07$), and perceived investment control (Nevertheless, what influence of students' attitudes to investments is likely to be on intention to invest in risky investment (($\beta = 0.952$, t-value=0.662, and $p = 0.012$), contradicts the proposition H4. In converse, the research analysis has indicated that the intention of risky investment is positive and significance impacted by subjective

norms (β = 0.119, t-value = -0.174, and p < 0.535) and risk tolerance (β = 0.159, t-value = 0.398, and p < 0.693), the planned behaviour theory is considered as (β = 0.700, t-value = 0.370, and p < 0.061) of the mediating effect from the variables.

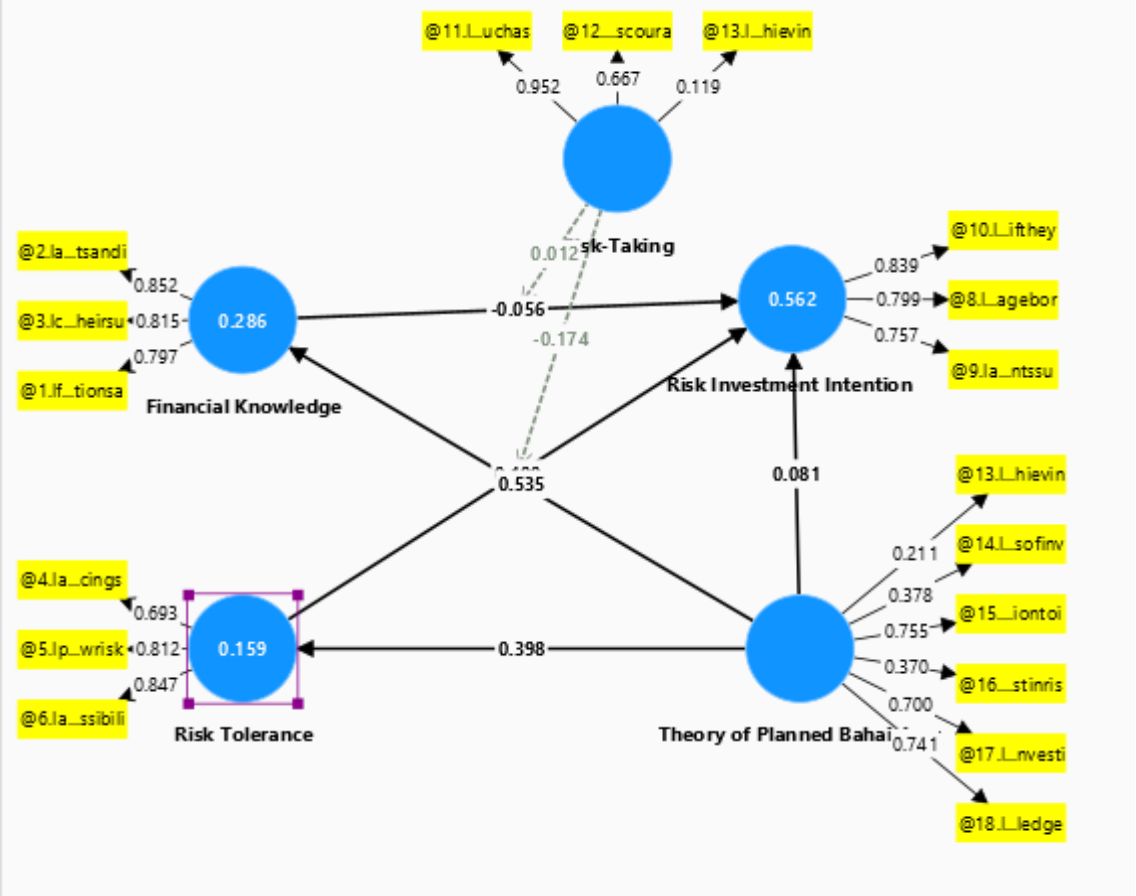

Figure 2: Proposed Model of SEM

5. Conclusion

This study examines financial knowledge and risk foundation affect the choice of university students to invest in risky business. The tests indicate a likely link between financial literacy and higher risk tolerance levels, greater investment inclination, and more confidence in personal control over financial matters. Nonetheless, experiment didn't reveal that cognitive biases that influence risk perception mediate (moderate) relationship between financial education and whether people tend to invest in risky ways. The report declares that financial knowledge should be some obligatory training for students given only the increase of financial knowledge and risk perception together is capable to help young investors make right decisions.

References

Abu, & Elshaer, I. A. (2023). Risk-Taking, Financial Knowledge, and Risky Investment Intention: Expanding Theory of Planned Behavior Using a Moderating-Mediating Model. *Mathematics*, *11*(2), 453–453. https://doi.org/10.3390/math11020453

Chinun Boonroungrut and Huang, F. (2021). Reforming theory of planned behavior to measure money management intention: a validation study among student debtors. RAUSP Management Journal, [online] 56(1), pp.24–37. doi:https://doi.org/10.1108/rausp-02-2019-0029.

Chio Hui Yee, Usama Al-Mulali and Goh Mei Ling (2021). Intention towards renewable energy investments in Malaysia: extending theory of planned behaviour. Environmental science and

pollution research international, [online] 29(1), pp.1021–1036. doi:https://doi.org/10.1007/s11356-021-15737-x.

Elfahmi, R., Ikin Solikin and Nugraha (2020). MODEL OF STUDENT INVESTMENT INTENTION WITH FINANCIAL KNOWLEDGE AS A PREDICTOR THAT MODERATED BY FINANCIAL SELFEFFICACY AND PERCEIVED RISK. Dinasti International Journal of Economics, Finance & Accounting/Dinasti International Journal of Economics, Finance and Accounting, [online] 1(1), pp.165–175. doi:https://doi.org/10.38035/dijefa.v1i1.232.

Kassa Moges Tareke (2024). Mediating Role of Environmental Awareness for the Nexus between Perceived Risks of COVID-19 Pandemic and Use of Sustainable Transportation: Evidence from Urban Passengers in Ethiopia, 2022. Advances in public health, [online] 2024, pp.1–24. doi:https://doi.org/10.1155/2024/2644236.

Molina-García, A., Ana José Cisneros-Ruiz, María Deseada López-Subires and Diéguez-Soto, J. (2023). How does financial literacy influence undergraduates' risk-taking propensity? International journal of management education, [online] 21(3), pp.100840–100840. doi:https://doi.org/10.1016/j.ijme.2023.100840.

NAIWEN, L., WENJU, Z., MOHSIN, M., ZIA UR REHMAN, M., NASEEM, S. and AFZAL, A. (2021). The role of financial literacy and risk tolerance: an analysis of genderdifferences in the textile sector of Pakistan. Industria Textila, 72(03), pp.300–308. doi:https://doi.org/10.35530/it.072.03.202023.

Soh Young In, Berk Manav, Clothilde M.A. Venereau, Enrique, L. and Weyant, J.P. (2022). Climate-related financial risk assessment on energy infrastructure investments. Renewable & sustainable energy reviews, [online] 167, pp.112689–112689. doi:https://doi.org/10.1016/j.rser.2022.112689.

Yılmaz Bayar, H. Funda Sezgin, Ömer Faruk Öztürk, Mahmut Ünsal Şaşmaz (2020). Financial Literacy and Financial Risk Tolerance of Individual Investors: Multinomial Logistic Regression Approach - Yılmaz Bayar, H. Funda Sezgin, Ömer Faruk Öztürk, Mahmut Ünsal Şaşmaz, 2020. [online] SAGE Open. Available at: https://journals.sagepub.com/doi/full/10.1177/2158244020945717 [Accessed 15 Apr. 2024].