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

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## 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.

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## 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?

1. **Literature Review**
   1. **Historical background**
   2. **Latest Developments in the Field**

# Theoretical Framework

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.

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# 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.

Risk-Taking

Financial Knowledge

Theory of Planned Behaviour

Risk Investment Intentions

Risk Tolerance

**Figure 1: Conceptual Framework**

# 3.2 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.

# 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).

## 4.1 Research design

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

## 4.2 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.

## 4.3 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.

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**Table 1: ANOVA**

A table with numbers and letters

Description automatically generated

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.

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.

**4.4. Discussion**

# 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.

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