



Website:

ejournal.umm.ac.id/index.php/jrak

***Correspondence:**

nur.fitry@iain-manado.ac.id

DOI: [10.22219/jrak.v10i2.12931](https://doi.org/10.22219/jrak.v10i2.12931)

Citation:

Latief, N.F., & Niu, F.A.L. (2020). Accounting Information and Psychological Factors in Capital Market : Do these Affect the Investors' Decisions to Invest?. *Jurnal Reviu Akuntansi dan Keuangan*, 10(2), 335-348.

Article Process

Submitted:

July 16, 2020

Reviewed:

July 22, 2020

Revised:

August 14, 2020

Accepted:

August 14, 2020

Published:

August 25, 2020

Office:

Department of Accounting
University of Muhammadiyah Malang
GKB 2 Floor 3.
Jalan Raya Tlogomas 246,
Malang, East Java,
Indonesia

P-ISSN: 2615-2223

E-ISSN: 2088-0685

Article Type: Research Paper

Accounting Information and Psychological Factors in Capital Market : Do these Affect the Investors' Decisions to Invest?

Nur Fitry Latief^{1*}, Fitria Ayu Lestari Niu²

Afiliation:

^{1,2}Faculty of Islamic Economics and Business, IAIN Manado, North Sulawesi, Indonesia

ABSTRACT

This study aims to determine the effect of accounting information and psychological factors on investor decision to invest in the capital market. The data come from questionnaire with a Likert scale measurement tool. The object was the investors of PT MNC Sekuritas Manado who were respondents as many as 119 investors. Data analysis uses multiple linear regression analysis with SPSS Version 25. The results find that partially and simultaneous the accounting information and psychological factor had a positive and significant effect on investor decision. This shows that the increasing accounting information and psychological factors available will increasingly influence the decision making of investors. But from the partial t-test results, it was found that the accounting information had more influence than the psychological factor, it means that investors tend to be rational in making their investment decisions by using accounting information as consideration for their decision making. This study provides empirical evidence regarding the influence of accounting information and psychological factors on investors' decisions to invest in the capital market and give contributions to academics and researchers by supporting the theory and results of previous research on the same topic.

KEYWORDS: Accounting Information; Investment Decision; Psychological Factor

INTRODUCTION

The Capital Market has an important role for a country's economy because the capital market performs two functions, namely first as a means for business funding or as a means for companies to get funds from the investor community (investors) and second, the capital market is a means for people to invest in financial instruments such as stocks, bonds, mutual funds, and others (Nasution, 2015). This shows the reciprocity between the company and investors. The company can expand its business with the help of funds from investors and investors will benefit from investment returns on the company. Economic and technological developments open up opportunities for people from all walks of life to get involved in the capital market world. Like the market in general, the capital market is a place to bring together sellers and buyers. What distinguishes it from other markets is the object being traded. Thus, the capital market becomes a bridge between investors and companies through trading financial instruments.

Since the establishment of the Indonesia Stock Exchange, it has become easier for people to invest their funds in a company through the capital market. Now everyone can become an investor whatever his profession. A security guard, entrepreneur, office worker, teacher, farmer, even a student can become an investor. Basically the purpose of investing is to make a profit so that it can enlarge the opportunities for a decent life in the future. Investors who want to maximize profits will be attracted by investments that provide higher returns than other investment opportunities.

According to the Data from IDX that is explained in a presentation from the head of the Indonesia stock exchange office representative of North Sulawesi, Mr. Mario L. Iroth at the opening of the capital market school class at the IAIN Manado November 2018, that investing in stocks is more profitable than other investment instruments, seen from the average level of stock returns 10.42% per year. Furthermore, they also recorded an increase in the number of investors and the value of stock transactions in North Sulawesi Province at the end of 2019 where the number of stock investors increased from 2,357 investors to 11,156 investors or grew 26.7 percent at the end of 2019. The Growth in the number of investors were driven by a number of factors, namely the high level of literacy and inclusion activities and the involvement of universities in promoting the capital market (News, 2020). Besides, this is also influenced by the Indonesia Stock Exchange Index (IDX) and the Indonesian capital market as seen from the performance of the Composite Stock Price Index (CSPI) which has increased over the past 10 years. The improved performance of the JCI has influenced public enthusiasm, especially in the North Sulawesi province based on data from the Indonesian Stock Exchange of North Sulawesi KP, as of July 2018 there were 7647 investors registered in North Sulawesi Province and the total growth in the number of transactions in the period 2012 - 2018 increased by 3.5%. This shows that the increasing public awareness in North Sulawesi, especially in the city of Manado in investing shares in the capital market.

From the high enthusiasm and the increasing number of investors in North Sulawesi, it is influenced by several factors in practice including the use of accounting information and psychological factors in making investment decisions. The importance of accounting information to capital market participants has gained the attention of many researchers in the past decades. Evidently, there have been several survey-based studies in accounting, investigating the perceptions of users regarding the usefulness of annual reports information (Farj *et al*, 2016). One of pioneering studies involved in this field was conducted by (Baker and Haslem, 1973). Their results showed that individual investors use

many different factors in the analysis of common stock because they may have different information needs than professional analysts. They further opined that individual investors depend on stockbrokers' advice for their investment information. They also found that individual investors attach minor importance to financial statements as sources of information influencing their decisions.

Accounting information has a relevance value that is defined as the ability to explain the value of a company based on accounting information. Value relevance is directed to investigate the empirical relationship between stock market values with various numbers (values) of accounting information intended to assess the benefits of these numbers in the company's fundamental assessment (Puspitaningtyas, 2013). With accounting information, it makes it easier for investors to analyze the company's fundamentals, so that investors become confident in making decisions to buy or sell shares of an issuer so that they are not mistaken or get losses in the future. In other research shows inconsistent results or there are differences in results regarding accounting variables (values) that affect stock investment risk as market value (Puspitaningtyas, 2012). This means that accounting information cannot fully explain market conditions so that investors do not make accounting information as the main reference in making decisions to sell or buy shares.

However, stewardship theory that supports accounting information variables explains that it has psychological and sociological roots which are designed to explain a situation where the manager acts as steward and acts in the best interests of the owner (Raharjo, 2007). So that accounting information can be considered and influence investors' decisions if investors have an understanding of the fundamental analysis and characteristics of investors in seeking future profits by paying attention to the financial position reports presented by company management in the capital market.

The accounting information listed is very important for investors, it's just that some investors don't really understand how to use the information (Farj *et al*, 2016). Related to this, investors have a response to financial statement information but have limited cognitive ability to interpret the information received. So that investors act naively, irrationally and unsophisticated. Lack of understanding of accounting information received makes investors less rational in determining investment decisions. This happens because in the investment decision-making process, investors not only consider accounting information, but there are other factors namely psychological factors.

In carrying out investment activities, investors need to make investment decisions. In question is the decision to buy, sell or maintain share ownership (Puspitaningtyas, 2013). As an investor, of course someone needs to take appropriate actions in determining investment decisions in order to get the expected benefits. This is related to the expected utility theory which is a decision that contains risks and aims to achieve maximum results (Tversky and Kahneman, 1981). This theory assumes that in responding to choices that contain risks, individual investors will be rational. Rational investors will conduct an analysis in the investment decision-making process. In this case the investor will utilize accounting information in the company's fundamental valuation before making an investment decision. Accounting information received can be in the form of company financial statements, company business performance, company earnings or profits, company history and current stock market capabilities. The goal is that investment decisions taken will provide benefits as expected.

Yet, the foremost important factor is the investor's reaction and perception (Puspitaningtyas, 2013). For an individual investor, decision making process can be

perceived as a continuous process that have significant impact of their psychology while making investment decisions. Behavioral finance relies on research of human and social recognition and emotional tolerance studies to identify and understand the investment decisions (Boda and Sunitha, 2018). As explained by previous research found that in every decision making process an investor must involve his emotions. Investors in investing not only use estimates of the prospects of their investment instruments, but emotions that are part of psychological factors also have a large role in determining decision making. The involvement of psychological factors in making investment decisions causes an investor to be irrational (Hermalin and Isen, 2000).

Behavioral finance studies revealed that human beings do not behave as rationally as economists suppose as their decisions at times are affected by their psychological feelings (Bakar and Yi, 2016). Investors who are less rational will often only go into business or deposit capital by (only) guided by personal signals (such as instinct, bandwagon, not accustomed to analyzing the details of the situation and condition of the business sector, even believing in the mystical aspects of investment offered). Decision making based on irrational considerations will produce the same thing. The impact of such irrational behavior makes investors make speculative decisions and only follow rumors or issues that are circulating. Behavior like this will result in the market will suddenly experience a pretty deep fall (Natapura, 2009).

Then which behavior dominates investors registered with PT. MNC Sekuritas Manado in making investment decisions, whether they consider accounting information (company fundamentals) or tend to take irrational actions by emphasizing psychological factors in making investment decisions? Based on the description above, this study aims to determine the effect of Accounting Information and Psychological Factors on Investor Decision Making in Investing in Stock in the Capital Market.

METHOD

This research was conducted at PT. MNC Sekuritas Manado by using quantitative methods. This method is used to test the hypothesis, namely:

Ha = Accounting information and psychological factors partially affect the decision making of investors of PT. MNC Sekuritas Manado in investing in shares in the capital market.

Ho = Accounting information and psychological factors partially does not affect the decision making of investors PT. MNC Sekuritas Manado in investing in shares in the capital market.

The data collection instrument used in this study was to use a questionnaire distributed directly or online with the population, namely investors registered in PT. MNC Sekuritas Manado conducting stock trading transactions on the Indonesia Stock Exchange with a total number of 1194 investors per June 2019. With a large number of investors, as well as limited time, this study was using a purposive sampling technique with the number of samples was determined using 10% of the sample population, that is, 119 individual stock investors registered with PT. MNC Sekuritas Manado. The criteria that must be met by investors who are respondents in this study are individual stock investors registered at PT MNC Sekuritas Manado with a minimum investment experience of 1 year. This criteria is considered capable of sorting out the investor who have experience in the capital market and accustomed using accounting information as fundamental analysis and involve the psychological factor in analyzing and making investment decision and stock selection.

The data used in this study consisted of primary data obtained directly from research respondents by using a measurement tool in the form of a questionnaire distributed to MNC Manado Securities investors who were sampled in this study with measurement instruments using a 5-point Likert scale. The next data is secondary data in the form of data or documents that support research such as a general description of PT. MNC Sekuritas Manado and previous studies.

Analysis of the data used in this study is multiple linear regression analysis with SPSS version 25 as an analysis tool with data measurement methods and data management techniques namely validity, reliability testing, classic assumption tests (normality test and multicollinearity test) and Multiple Linear Regression Analysis consisting of the Determination Coefficient (R²), Partial Regression Coefficient Test (t Test) and the Regression Coefficient Test Together (F Test). The t test was used to show how much influence an independent variable has effect on the dependent variable partially while F test to show independent variable has effect on the dependent variable simultaneously.

RESULTS AND DISCUSSION

PT MNC Sekuritas has opened dozens of branch offices throughout Indonesia to attract the general public from various professions to invest in the capital market, as well as to open an Investment Gallery in various Higher Education Institutions in Indonesia to attract students to make it easier to invest in the capital market. Total investors of PT MNC Sekuritas Manado as of June 2019 are 1194 investors, while total investors in 2015 were 168 investors. This means that during the last 5 years there was an investor growth of 85.9% (PT. MNC Sekuritas, 2019). Thus, it can be concluded that the performance of PT MNC Sekuritas Manado is getting better from year to year so as to foster interest in investing in the city of Manado. From the results of the questionnaire, investor characteristics are known so that they can describe the segmentation of the investors.

Characteristics of Respondents

- a. Based on the Gender of Respondents, the investors of PT MNC Sekuritas Manado that examined the results were 45 people or 37.8% of clients were female and for male investors were 74 people or 62.2%. The difference between the two is only 24.4% adrift. This shows that the investors of PT MNC Sekuritas Manado studied were dominated by male investors.
- b. Based on the age of respondents, dominated by respondents with age less than 25 years with a total of 102 people or 86%. This shows that most investors are of productive age, which means someone who is at that age is required to think about the future and life goals with more focus so that they will be more careful in managing and allocating finances.
- c. Based on the Respondents' Work, it was dominated by students with 80 people or 67.2%. From these data it can be seen that the investors of PT MNC Sekuritas Manado who have an interest in stock investment mostly come from students.

Reliability Test

Reliability test is a test to show the consistency of a measuring device in measuring the same symptoms. To calculate the reliability performed using Cronbach alpha coefficients. This reliability test was carried out with the help of SPSS version 25, the following results were obtained:

Table 1.
Reliability
Test

Variable	Cronbach Alpha	R table	Information
Accounting Information (X1)	0.715	0.1801	VALID
Psychological Factor (X2)	0.702	0.1801	VALID
Investment Decision (Y)	0.809	0.1801	VALID

The Cronbach alpha value for the variable consumer knowledge about Accounting Information (X1) is 0.715, this means the Cronbach alpha value > r table, thus the reliability test results of the X1 variable can be said to be reliable. Cronbach alpha value for Psychological Factor (X2) is 0.702, this means the value of cronbach alpha > r table, thus the reliability test results of the X2 variable can be said to be reliable. Cronbach alpha value for the Investment decision making variable (Y) is 0.809, this means the value of Cronbach alpha > r table, thus the reliability test results of the Y variable can be said to be reliable.

Validity Test

The data collection in this study used a questionnaire containing statement items related to the research variables. Each item of validity will be tested to determine whether the statement contained in the questionnaire is suitable for use or not. To find out the validity of each item statement in the research questionnaire can be seen through the Pearson Correlation column or r count. If the Pearson Correlation value or r count is greater than r table then the statement is declared valid. The value of r table with $N / df = n-2$ is 117 so that the value of r table at the 5% significance level is 0.1801 (r table attached). If the Pearson Correlation value > 0.1801 then the statement item is declared valid. The validity test is performed using SPSS Version 25. From the results of this test, it is known that all statement items contained in the research questionnaire are valid. This is evidenced by the Pearson correlation value greater than r table (0.1801). This means that all items in the research questionnaire met statistically validity requirements so that they were able to measure properly and precisely.

Classic Assumption Test

Classic Assumption Test in this study consisted of the Normality Test and the Multicollinearity Test are described as follows.

Normality Test

The normality test with the help of SPSS version 25, the following results were obtained:

One Sample Kolmogorov- Smirnov Tes		
		Unstandardized Residual
N		119
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	2.00169513
Most Extreme Differences	Absolute	.064
	Positive	.059
	Negative	-.064
Test Statistic		.064
Asymp. Sig. (2-tailed)		.200 ^{c,d}

Table 2.
Normality
Test

One method that can be used to test normality is the Kolmogorov-Smirnov test to find out whether the sample is from a normally distributed population or not. The magnitude of the Kolmogorov-Smirnov test probability can be seen from the value of asymp.sig, that is if asymp.sig. (2-tailed) > 0.05 then normal distribution, vice versa if asymp.sig. (2-tailed) < 0.05 then it is not normally distributed.

From the data, we know the value of Asymp. Sig. (2-tailed) by 0.2 > 0.05. Thus testing normality with Kolmogorov-Smirnov all variables are declared normally distributed.

Multicollinearity Test

Multicollinearity test is used to determine the symptoms of correlation between independent variables as indicated by a significant correlation. Where to be able to detect the presence of multicollinearity if the value of Variance Inflation Factor (VIF) is not more than 10 (<10) then it is free from multicollinearity. This multicollinearity test uses SPSS version 25 with the following results:

		Coefficients ^a				Collinearity Statistics	
		Unstandardized Coefficients		Standardized Coefficients			
Model		B	Std. Error	Beta	t	Sig.	Tolerance VIF
1	(Constant)	-5.876	1.819		-3.231	.002	
	Accounting Information	.360	.049	.493	7.364	.000	.893 1.120
	Psychological Factor	.261	.043	.404	6.034	.000	.893 1.120

a. Dependent Variable : Investment Decision

Table 3. Multicollinearity Test

The multicollinearity test show that the independent variable is free from multicollinearity problems, because all VIF results are smaller than 10. This can be seen from the VIF value in Accounting Information (X1) of 1.120 and the Psychological Factor (X2) of 1.120.

Multiple Linear Regression Analysis

Multiple linear regression analysis is useful for analyzing linear relationships between 2 independent variables (free) or more with 1 dependent variable (bound). To determine a linear equation that uses more than two variables, SPSS version 25 is used with the following results:

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	-5.876	1.819		-3.231	.002
	Accounting Information	.360	.049	.493	7.364	.000
	Psychological Factor	.261	.043	.404	6.034	.000

a. Dependent Variable : Investment Decision

Table 4. Multiple Linear Regression Analysis

The constant value (a) of -5,876 states that if there are no accounting information variables and psychological factors, then investment decision making is -5,876 units. The regression coefficient value of accounting information (b1) has a positive value of 0.360. This states that each increase (due to a positive sign) accounting information is one unit, investment decision making will also increase by 0.360 units or 36% and vice versa, if accounting information has decreased by one the investment decision making unit will also decrease by 0.360 units with other independent assumptions the value is fixed.

The value of the psychological factor regression coefficient (b2) is positive, which is 0.261. Stating that each increase (due to a positive sign) psychological factors by one unit then investment decision making will also increase by 0.261 units or 26.1%, and vice versa, if psychological factors decrease by one unit, investment decision making will also decrease by 0.261 units with other independent assumptions the value is fixed.

Determination Coefficient Test (R2)

The coefficient of determination (R2) is the coefficient used to determine the contribution of independent variables (accounting information and psychological factors) to changes in the dependent variable (investment decision making) with the following results.

The coefficient of determination between the two variables is 53.6%. This means that investment decision making can be explained by accounting information variables and psychological factors by 53.6%. While the rest is explained by other factors not examined. In other words, the contribution or influence of independent variables (accounting information and psychological factors) on the dependent variable (investment decision making) is 53.6% while the remaining 46.4% is influenced by other variables outside the variables used in this study.

Model Summary ^b						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson	
1	.732 ^a	.536	.528	2.01888	1.891	
a. Predictors: (Constant), Psychological Factor, Accounting Information						
b. Dependent Variable: Investment Decision						

Table 5.
Determination Coefficient Test

T Test and F Test

The t test basically shows how much influence an independent variable partially has on the dependent variable. T test is used to test whether the statement in the hypothesis is accepted or rejected testing using a significance level of 0.05 with the following results.

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	-5.876	1.819		-3.231	.002
	Accounting Information	.360	.049	.493	7.364	.000
	Psychological Factor	.261	.043	.404	6.034	.000
a. Dependent Variable : Investment Decision						

Table 6.
T Test

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig
1	Regression	546.662	2	273.331	67.061	.000 ^b
	Residual	472.800	116	4.076		
	Total	1019.462	118			
a. Dependent Variable: Investment Decision						
b. Predictors: (Constant). Psychological Factor, Accounting Information						

Table 7.
F Test

From the SPSS output (Table 6), it is known that the calculated t value for variable X1 (accounting information) is 7.364 and the calculated t value for variable X2 (psychological factors) is 6.034, with t table 1.980. So it can be seen that the value of t arithmetic > t table (7.364 > 1.980) it can be concluded that accounting information significantly influences investment decision making. Based on the significance of t of 0.000 which is smaller than α of 0.05 (0.000 < 0.05), this means that the first or positive hypothesis is accepted, and the other or negative hypothesis is rejected.

Furthermore, for Variable X2 (psychological factors) it is known that the value of t arithmetic > t table (6.034 > 1.980) then Ha is accepted and Ho is rejected. So it can be concluded that psychological factors significantly influence investment decision making. Based on the significance of t of 0,000 which is smaller than α of 0.05 (0.000 < 0.05), this means that Ha is accepted and Ho is rejected.

F test or regression coefficient test is used to determine whether together the independent variable has a significant effect on the dependent variable, with the significance of the F value close to zero it can be said that the independent variables associated with the regression coefficient have a significant effect on the dependent variable decision making researched. This test uses a significance level of 0.05 with the following results in Table 7.

From the SPSS output above, it can be seen that the calculated F value was 67.061, and the F table was 3.07, so it was found that because F arithmetic > F Table (67.061 > 3.07) then Ha was accepted and Ho was rejected. So, it can be concluded that there is a simultaneous influence between accounting information and psychological factors on investor decision making of PT. MNC Sekuritas Manado in investing shares in the capital market.

The Effect of Accounting Information on Investor Decision

Based on the results of the hypothesis test through the t test, it is known that the accounting information variable significantly influences the decision making of PT. MNC Sekuritas Manado investors in investing shares in the capital market. This is seen from the t value of the accounting information variable of 7.364 and a significance level of 0.000, which means it is smaller than the 0.05 significance level and there is a positive relationship seen from the results of the multiple regression equation that the coefficient of accounting information is 0.36 or 36%. Thus is hypothesis which shows that there is a positive and significant influence between accounting information with PT. MNC Sekuritas Manado investor decision making in investing in capital market which is the positive hypothesis is accepted.

Investors often use published information, because the information has a signal about the prospects of a company in the future (Sulistio, 2005). Therefore, the accounting information contained in the published financial statements must present relevant and reliable information according to the needs of investors in the capital market

(Puspitaningtyas, 2007). In case study at TANESCO Morogoro with 50 respondents revealed that there is significant relationship between accounting information and investment decisions and all the selected areas significantly depend on accounting information for investment decision. It was also observed from the analysis of the opinion of the respondents where 83.3% of the respondents said always use accounting information for investment decision. It was discovered that the quality of accounting information in terms of its accuracy, adequacy, reliability and mode of disclosure is a major determinant of the level of efficiency of the investment decision making (Thuhoye, 2017).

The results of this study are in line with research conducted by (Christanti and Mahastanti, 2011) which states that accounting information such as company financial statements and expected company earnings are still considered in investment decisions besides this information is easily obtained also to view and assess condition and profitability of the company. So investors still pay attention to the factors of Accounting Information and Neutral Information which is a traditional analysis tool, this is because these factors are considered capable of reflecting the level of profit to be gained.

In addition, a study conducted by (Puspitaningtyas, 2012) found the results of studies that indicate that accounting information gives meaning to investors' benefits. Therefore, the findings of this study add strength to the concept of the value relevance of accounting information and the usefulness of accounting information for market participants (investors).

Investors who consider and analyze accounting information make investors rational in investing, so it is possible to get the expected benefits. Rational behavior refers to the Expected Utility Theory developed by John von Neumann and Oskar Morgenstern (Azlan and Jamal, 2013). This theory argues that individuals should act in accordance with facts when they want to make decisions under uncertainty. In practice this rational behavior is reflected in the use of fundamental analysis (Muhammad and Abdullah, 2009). It means that accounting information can provide the same behavior for investors who conduct high trading frequency and individual investors who do low trading frequency. Accounting information is still the main ingredient in seeing the company's performance going public and the main handle for individual investors in making stock investment decisions (Sitinjak, 2013).

Thus, accounting information is very useful for investors of PT MNC Sekuritas Manado in making their investment decisions, so the more accounting information available the more it will influence the decision making of PT MNC Sekuritas Manado investors in investing in shares in the capital market. This research refers to (Puspitaningtyas, 2007) research that explains how investors utilize accounting information in making investment decisions; although in practice there are difficulties in assessing the benefits of accounting information for investors directly. In case is investment decision to buy the share in capital market.

The Effect of Psychological Factors on Investor Decision

Based on the results of hypothesis testing through the t test, it is known that the psychological factor variables significantly influence the decision making of PT MNC Sekuritas Manado investors in investing in shares in the capital market. This is seen from the calculated t value on the psychological factor variable of 6.034 and a significance level of 0.000, which means it is smaller than the 0.05 significance level and there is a positive relationship seen from the results of the multiple regression equation that the coefficient value of the psychological factor (X2) is 0.261 or 26.1% Thus the hypothesis which shows

that there is a positive and significant influence between psychological factors with investor decision making PT MNC Sekuritas Manado in investing shares in the capital market is accepted and the negative hypothesis is rejected. By accepting the first hypothesis, it means that the greater the psychological factors that investors have, the more they will influence the decision making of PT MNC Sekuritas Manado investors in investing in shares in the capital market.

The results of this study are in line with previous research on qualitative approach which states that in making decisions, investors pay less attention to the fundamentals of the company. Decision making is strongly influenced by psychological factors that are reflected in the use of experience, reference groups and speculative actions so that investors tend to be irrational in making investment decisions (Cholidia, 2017). In addition, investors in the investment decision making process consider accounting information. However, the psychological factor of investors, which is reflected in personal signals, is more dominant where investors have a psychological tendency to consider private signals more than public signals (Puspitaningtyas, 2013). This is related to the expected utility theory, which is a decision that contains risk and aims to achieve maximum results (Tversky and Kahneman, 1981). This theory assumes that in responding to risky choices, individual investors will act rationally. A rational investor will conduct analysis in the investment decision making process. In this case investors will use accounting information in the company's fundamental assessment before making investment decisions. In addition, this theory argues that individuals must act according to the facts when they want to make decisions under uncertainty. In practice this rational behavior is reflected in the use of fundamental analysis (Muhammad and Abdullah, 2009).

This investor behavior has been observed by previous researchers, and their findings emphasize the influence of psychological, economic, and social environment on the resulting decisions (Sitinjak, 2013). It means this finding is supported by previous research that found that psychological is one of several factors that can influence the investor behavior in making decision to invest. In other study This article uncovers the investor's psychology in investment decision making focusing on the investor's rationality by explaining psychological and emotional factors that affect investing (Boda and Sunitha, 2018).

Numerous studies from ASEAN, Middle East and Western countries have in fact established that psychological factors do have relationships and impacts on the decision making of investors in their stock markets. The research from (Bakar and Yi, 2016) attempts to bridge the gap of the differences in terms of geographical location and demographic profile between Malaysia and other countries by examining the impact of the psychological factors on investors' decision making in the Malaysian stock market. The findings show that overconfidence, conservatism and availability bias have significant impacts on the investors' decision making while herding behavior has no significant impact on the investors' decision making. It is also found that the psychological factors are dependent of individual's gender.

The Effect of Accounting Information and Psychological Factors on Investor Decision

In this statistical test using the F test, it is obtained that the calculated F value of 67.061 from the significance level of 0.000 is less than 0.05 (in this case the significance level of 5%). So thus the H_a hypothesis which reads there is a joint influence between accounting information and psychological factors on the decision making of PT MNC Sekuritas

Manado investors in investing in the capital market. From accounting information variabel that state in financial reports are useful despite that they are not the most sought-after source of information influencing investors' decisions (Farj *et al*, 2016). Accounting information, especially information disclosure, is the basis of maintaining the normal operation of investment. It can provide effective incremental information to stakeholders, and make optimal investment decisions (Wang *et al*, 2019).

In research conducted in the Middle East found that behavioral finance factors (Loss Averse, Overconfidence and Risk Perception) have significant effect on the stock investment decisions of individual investors in Saudi Stock Market, while Herd has insignificant effect. The demographic variables (Gender, Age, Education, Income and Experience) don't make any significant differences in the investor decision, except the demographic variable (Education) make significant differences in the investor decision (Talal *et al*, 2016).

Investment decision making is an investor action in getting the expected profit. Investment decisions are inseparable from consideration of profit (return) and loss (risk). Therefore, investors must be wise in making investment decisions. A wise investor will certainly consider various things before making a decision, such as analyzing actual data and examining issues that are circulating so that investors are not mistaken and can minimize losses. In fact, factor analysis and estimation on the prospects of an investment instrument are a major factor for investors in making an investment decision-making process. However, over time, some researchers suggest that psychological factors of investors have an important role in the investment decision-making process. With the psychological factors that investors have different views that will affect the results to be obtained (Prawirasara, 2016).

CONCLUSION

Based on the results, it concludes that accounting information and psychological factors, respectively have a significant and positive influence on the decision making of PT MNC Sekuritas Manado investors in making investment decisions on the capital market. This shows that the increasing accounting information and psychological factors available will increasingly influence the decision making of investors in investing share in the capital market. From the partial t-test results, it was found that the accounting information variable is greater than the psychological factor variable, it means that the investors tend to be rational in making investment decisions by using accounting information as consideration for decision making. Furthermore, the simultaneous test results on both variables, shows that accounting information and psychological factors effect on decision making. This study provides empirical evidence regarding the influence of accounting information and psychological factors on investors' decisions to invest in the capital market. The contributions to academics and researchers based on the results of this study are expected to support the theory or results of previous research on the same topic and provide views and insights that will support the existence and development of accounting information theory and psychological factors for investors in the capital market.

This study has limitations on the independent variables consisting of accounting information and psychological factors which are considered important to prove their influence on investors' decision. In addition, the limitation in this study is the determination of the object of research, namely investors of PT MNC Sekuritas Manado who have collaborated with IAIN Manado in facilitating study groups of IAIN Manado Student and alos the time is very limited because this research was conducted before the

pandemic. So that, the number of investors willing to become respondents is also very limited.

For academics and researchers, hopefully this provides adequate empirical evidence for further research. For investors, this research is expected to help provide confidence in the use of accounting information and its relevance to investors' psychological decisions. This research especially are expected to PT MNC Sekuritas Manado to further enhance socialization and education in the form of training or workshops and so on in order to increase public interest in investing and increase investor knowledge of the capital market.

REFERENCES

- Azlan, A. and Jamal, A. 2013. "Investment Decision-Making Style in Kota Kinabalu Sabah". *International Conference On Management, Economics And Finance (2nd ICMEF 2013)*. *Proceeding*. pp. 1–10. Kota Kinabalu. Sabah. Malaysia.
- Bakar, S. and Yi, A. N. C. 2016. "The Impact of Psychological Factors on Investors' Decision Making in Malaysian Stock Market: A Case of Klang Valley and Pahang". *Procedia Economics and Finance*. Elsevier B.V. Vol. 35. pp. 319–328.
- Baker, H. K. and Haslem, J. A. 1973. "Information needs of individuai investors". *The Journal of Accountancy*. Vol. 136 No. 5. pp. 64–69.
- Boda, J. R. and Sunitha, G. 2018. "Investor's Psychology in Investment Decision Making : a Behavioral Finance Approach". *International Journal of Pure and Applied Mathematics*. Vol. 119 No. 7. pp. 1253–1261.
- Cholidia, R. 2017. "Perilaku Investor dalam Pengambilan Keputusan Investasi di Pasar Modal (Studi Kasus pada Investor Saham Individu di Bandar Lampung)." Universitas Lampung. Available at: <http://digilib.unila.ac.id/28401/>.
- Christanti, N. dan Mahastanti, L. A. 2011. "Faktor-Faktor Yang Dipertimbangkan Investor Dalam Melakukan Investasi". *Jurnal Manajemen Teori dan Terapan*. Vol. 4 No. 3, pp. 37–51.
- Farj, R. M. H., Jais, M. B. and Isa, A. H. 2016. "Importance of Accounting Information to Investors in the Stock Market : A Case Study of Libya". *IOSR Journal of Economics and Finance (IOSR-JEF)*. Vol. 7 No. 1. pp. 70–79.
- Hermalin, B. E. and Isen, A. M. 2000. "The Effect of Affect on Economic and Strategic Decision Making". *SSRN Electronic Journal*. pp. 1–17.
- Muhammad, N. M. N. and Abdullah, M. 2009. "Investment Decision Making Style: Are Malaysian Investors Rational Decision Makers?". *IJCRB (Interdisciplinary Journal Of Contemporary Research In Business)*. Vol. 1 No. 3. pp. 96–108.
- Nasution, Y. S. J. 2015. "Peranan Pasar Modal Dalam Perekonomian Negara". *Human Falah: Jurnal Ekonomi dan Bisnis Islam*. Vol. 2 No. 1. pp. 95–112.
- Natapura, C. 2009. "Analisis Perilaku Investor Institusional dengan Pendekatan Analytical Hierarchy Process (AHP)". *Bisnis & Birokrasi, Jurnal Ilmu Administrasi dan Organisasi*. Vol. 16 No. 3. pp. 180–187.
- News, A. 2020. "BEI Mencatatkan Kenaikan Investor Dan Transaksi Saham Di Sulut Pada 2019". *Antara News*. Manado.
- Prawirasasra, K. P. 2016. "Behavioral Finance in Investment Decision-Making". *The IIER*

- International Conference*. Seoul, South Korea. pp. 36–38.
- PT. MNC Sekuritas. 2019. *Rekap Data Investor MNC Sekuritas*. Manado.
- Puspitaningtyas, Z. 2007. "Pemanfaatan Informasi Akuntansi bagi Investor dalam Proses Pengambilan Keputusan Investasi". *Jurnal NeO-Bis*. Vol. 1. pp. 121–129.
- _____. 2012. "Relevansi Nilai Informasi Akuntansi Dan Manfaatnya Bagi Investor". *Ekuitas : Jurnal Ekonomi dan Keuangan*. Vol. 16 No. 2. pp. 164–183.
- _____. 2013. "Perilaku Investor Dalam Pengambilan Keputusan Investasi Di Pasar Modal". *Jurnal Akuntansi Universitas Jember*. pp. 1–19.
- Raharjo, E. 2007. "Teori Agensi dan Teori Stewardship dalam Prespektif Akuntansi". *Fokus Ekonomi*. Vol. 2 No. 1. pp. 37–46.
- Sitinjak, E. L. M. 2013. "Perilaku Investor Individu dalam Pembuatan Keputusan Investasi Saham: Efek Disposisi dan Informasi Akuntansi". *Jurnal Organisasi & Manajemen*. Vol. 9 No. 1. pp. 329–344.
- Sulistio, H. 2005. "Pengaruh Informasi Akuntansi Dan Non Akuntansi Terhadap Initial Return : Pada Perusahaan yang Melakukan Initial Public Offering di Bursa Efek Jakarta". *Simposium Nasional Akuntansi VIII Solo*. pp. 87–99.
- Talal, A., Ahmad, A. and Al, S. A. 2016. "Do Behavioral Finance Factors Influence Stock Investment Decisions of Individual Investors? (Evidences from Saudi Stock Market)". *Journal of American Science*. Vol. 12 No. 9. pp. 72–82.
- Thuhoye, L. D. 2017. "The Role Of Accounting Information On Investment Decisions: A Case Of Tanesco Morogoro Municipal". *Thesis*. Open University Of Tanzania.
- Tversky, A. and Kahneman, D. 1981. "The Framing of Decisions and The Psychology Of Choice". *Science*. Vol. 211 pp. 453–458.
- Wang, L. W., Chen, C. H. and Wu, C. C. 2019. "A Study of the Influence of Earnings Management and Accounting Information Quality on the Investment Efficiency of Chinese Listed Companies". *IOP Conference Series: Materials Science and Engineering*. Vol. 490 No. 6. pp 1-6.