

The Determinant of Minimum Capital Policy, Motivation, Risk, Benefits, and Knowledge on Investment Decisions of MSMEs in Central Lombok

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ABSTRACT

Investment decisions have a significant impact on the steps that potential investors will take, particularly in relation to the research object, namely MSMEs. This study aims to determine the influence of minimum capital policies, motivation, risk, benefits, and knowledge on investment decisions. Primary data was collected through online questionnaires distributed to 121 MSMEs in Central Lombok and analyzed using multiple linear regression (PLS-SEM). The results show that motivation, risk, and benefits have a positive influence on investment decisions among MSMEs in Central Lombok. These findings are crucial for understanding the factors related to investment decisions in Indonesia. This research provides significant insights for policymakers in making decisions about investor behavior and identifying the factors influencing investment decisions of MSMEs in Central Lombok, and it is hoped that this research can make a significant contribution to the development of policies that support the growth of MSMEs in the region.

Keywords : investment decision, knowledge, motivation, dan risk

I. INTRODUCTION

As the world becomes increasingly digital, the ability to manage finances wisely has become more important than ever. Knowledge and understanding of financial management are essential as they form the basis for making decisions to maximize the use of financial products and instruments, one such financial product and instrument is investment. In modern society, investment is made to improve the welfare of life and is used as a source of passive income because of the profits obtained when investing (Triana & Yudiantoro, 2022). Investment was initially carried out by entrepreneurs, businessmen, and people who are interested in making investments. People began to realize the importance of investment in the future. Because in the future there are many things that are full of uncertainty in order to prepare for the needs that must be met (Wibowo & Purwohandoko, 2019). The core of this passage is by investing, an individual is not merely saving, but also striving to grow their money over time. Therefore, people need to have a good understanding of financial management, including investment, in order to make wise investment decisions, as investment is a strategic step in personal financial planning.

Indonesia, with the fourth largest population in the world, is expected to have great economic power (Asnahwati & Maswir, 2021). Within a national economy, investment is one of the drivers of the advancement of the world economy, one of which is Indonesia. Many entrepreneurs or companies make investment in the capital market as a container in the future or as savings in the future. Investment is known as a means of saving funds or money with the hope of getting big profits in the future (Oktary, Ramashar, & Suci, 2021). In 2020, the growth of retail investors in the Indonesian capital market amid the pandemic increased to 4.16 million from 2.48 million in 2019 (Kompas.com, 2020). However, the number of Indonesian investors is still very low compared to other countries (Kompas.com, 2020). Executive Director of the Finance Department of Bank Indonesia, Donny Hutabarat said, “with the Indonesian population of productive age numbering 189 million and retail investors in the capital market numbering 4.16 million, the ratio of Indonesian people's involvement in the capital market is less than 5 percent or to be precise only around 2.2 percent” (Kompas.com, 2020). This ratio value is far behind when compared to the United States, which has a ratio of 55 percent, Singapore,

which has reached 26 percent, and especially Malaysia, which has reached 9 percent (Kompas.com, 2020). The core idea of this passage is Indonesia has a large population, which suggests a strong economic base. Investment is a key driver of economic growth. This falls far short of countries like the US (55%), Singapore (26%), and Malaysia (9%), so Indonesia could unlock its economic potential by fostering a culture of investment among its citizens.

Post-pandemic, there has been a dramatic surge in the number of investors year-on-year. In 2021, the number of capital market investors surged by 92.99%, mutual funds by 115.41%, stocks and other securities by 103.60%, and government bonds by 32.75% (Indonesia Central Securities Depository, 2024). In 2022, there was a 37.68% increase in capital market investors, 40.41% in mutual funds, 28.64% in stocks and other securities, and 336.5% in government bonds. (Indonesia Central Securities Depository, 2024). In December 2023, the number of capital market investors increased by 1.17%, mutual funds by 1.20%, stocks and other securities by 1.55%, and government bonds by 1.00%. At the beginning of 2024, these figures rose further to 1.30% for capital market investors, 1.37% for mutual funds, 1.76% for stocks and other securities, and 1.28% for government

bonds. (Indonesia Central Securities Depository, 2024). It can be seen that there has been a significant increase in the number of investors in the Indonesian capital market post-pandemic.

Some studies have revealed that minimum capital policy has a positive and significant effect on investment decisions (Pradnyani, Pramitari, Akuntansi, & Bali, 2019); (Oktary et al., 2021) ; (Sahputra, Juanidi, & Putra, 2020) ; (Syaputra & Aslami, 2022) ;(Ardiana, Sugianto, & Chamidah, 2020); (Infokum, 2022). However, contrary to research results ;(Rahayu & Khoirudin, 2023); (Klaudia, Rohmah, Devi, & Ayu, 2018) shows that the minimum capital policy has no effect on investment decisions.

In addition to minimum capital policy, motivation also influences investment decisions. (Wibowo & Purwohandoko, 2019); (Infokum, 2022); (Rahayu & Khoirudin, 2023) ; (Sahputra et al., 2020) ; (Widati, Wulandari, & Putriliawati, 2022) ; (Firdaus & Ifrochah, 2022) ; (Aristi, 2022) state that motivation has a partial but significant influence on investment decisions. However, according to a study by (Marfuah & Anggini Asmara Dewati, 2021) ; (Triana & Yudiantoro, 2022) ; (Taufiqoh, Nur, & Junaidi, 2019) shows that motivation does not have a significant impact on investment decisions. Moreover, risk also has a

positive influence on investment decisions, based on research conducted by various experts in the field of finance (Marfuah & Anggini Asmara Dewati, 2021);(Sahputra et al., 2020); (Asnahwati & Maswir, 2021); (Ardiana et al., 2020). However, according to the research conducted by (Rahayu & Khoirudin, 2023);(Oktary et al., 2021); (Prabowo et al., 2023);(Klaudia et al., 2018); (Faidah, Puspita, Vikha, & Asri, 2020) shows that risk was found to have no significant influence on investment decisions.

Likewise previous researchs show that benefits also greatly influence investment decisions (Theodorus, Patricia, & Meiryani, 2023); (Asnahwati & Maswir, 2021); However, based on research (Gudiño León., Acuña López., & Terán Torres., 2021); (Rahayu & Khoirudin, 2023); (Infokum, 2022) shows that it was found that risk does not have a significant impact on investment decisions. Moreover, knowledge also has a positive influence on investment decisions (Marfuah & Anggini Asmara Dewati, 2021); (Triana & Yudiantoro, 2022); (Tahu, 2020);(Sahputra et al., 2020); (Widati et al., 2022); (Prabowo et al., 2023); (Asnahwati & Maswir, 2021);(Syaputra & Aslami, 2022);(Firdaus & Ifrochah, 2022); (Infokum, 2022); (Prabowo et al., 2023);(Naldi & Muljaningsih, 2022). However, according to the research(Rahayu & Khoirudin,

2023);(Oktary et al., 2021);(Ermawati, Khotimah, & Nindyasari, 2019); (Klaudia et al., 2018) shows that knowledge does not have an impact on investment decisions.



(Source : KSEI, 2021)

Based on the image above, West Nusa Tenggara (NTB) Province is in 6th position in making investment decisions, namely 3.22% with total assets of IDR 11.4 trillion (0.34%), so it can be said that the investment decisions of the community are still relatively low. The Indonesia Stock Exchange (IDX) noted that the number of Indonesian capital market investors has exceeded 13 million single investor identification (SID). This number has grown by more than 863 thousand new SIDs throughout 2024. Meanwhile, the number of Indonesian stock investors has reached 5.7 million SIDs (idx.ntb, n.d.). The focus of the research was then directed at MSMEs in Central Lombok, which was influenced by the existence of the Mandalika Special Economic Zone and the potential for great growth. In NTB itself, the number of capital market investors also continues to grow

significantly. Based on data on May 31, 2024, the number of NTB capital market investors reached 138,010 SIDs (idx.ntb, n.d.). This number increased by 2.71 percent from the previous 134,282 SID.

When viewed from the number of investors and assets for the Bali-Nusra region, NTB is ranked 2nd after Bali. While nationally, the number of NTB capital market investors is ranked 18th out of all provinces (idx.ntb, n.d.). With the international event in West Nusa Tenggara (NTB), it will be able to raise the class of local MSMEs. As is known, the Mandalika Circuit was built with the aim of increasing investment, trade, and tourism. Entrepreneurs in NTB are eyeing business investment to encourage the growth of MSMEs. Although the desire for investment is taken seriously, there needs to be a commitment to guarantee which business actors will receive the benefits of the investment. Then the form and target of the investment that will be made.

Special Economic Zone (KEK) Located in the southern part of Lombok Island, the Mandalika KEK was established through Government Regulation Number 52 of 2014 to become a Tourism KEK, with an area of 1,035.67 Ha and facing the Indian Ocean, the Mandalika KEK is expected to accelerate the tourism sector of the West Nusa Tenggara Province which

is very potential (Kek.go.id, n.d.). MotoGP which is ready to operate in 2021 will certainly have a positive impact on MSMEs (Kek.go.id, n.d.). With individual investors and business entities, they can channel their excess funds to be invested, and entrepreneurs can obtain additional funds to expand their business networks from investors and open up employment opportunities for the surrounding community (Susanti, Hasan, & Ihsan Said Ahmad, 2018).

It is important to understand more about Capital Policy, Motivation, Risk, Benefits and Knowledge are very influential in making investment decision, especially considering the increasing number of MSMEs in Central Lombok, so with this research, it is hoped that the right investment decisions will be created for MSMEs. In addition, where previous studies showed mixed and inconsistent results. This is the background for re-research on the factors that influence MSME investment decisions, especially for MSMEs in Central Lombok. Based on the description above, it provides motivation for researchers to conduct research entitled the influence of minimum capital policy, motivation, risk, benefits and knowledge on MSME investment decisions in Central Lombok.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Signaling Theory

Signaling Theory is a theory that conveys information to investors, both positive and negative information about the company's perspective or the company's development. According to Besley and Brigham: "A signal is an action received from a company superior to provide an indication to investors about how management views the company's perception" (Fitriyah & Barokah, 2021). The signal provides information about something that is done by management to realize the wishes of the company's owner. This information is very valuable for investors and business people because the information presents information, notes or descriptions, both information on past, present or future conditions for the company's survival and its influence on the Company (Kurniawan & Mawardi, 2017). Related to this research, Signaling theory is very relevant to use because each UMKM Community has a different paradigm. In this case, the influence of minimum capital policy, motivation, risk, benefits, and knowledge that can influence UMKM investment decisions, so that the information conveyed by the company can influence UMKM decisions to invest.

Hypothesis Development

The Effect of Minimum Capital Policy on Investment Decisions

Minimum capital policy in investment is a policy taken to attract potential investors, and provisions given as a certain value as investment capital. In making investment decisions, minimum capital policy can affect a person's investment attention because the capital set by the securities industry can be reached by investors so that it will influence them to invest. The level of effects involved in an investment will affect the decision of MSMEs (Rozak, Waspada, & Sari, 2022) explains that the minimum investment capital policy has an effect on investor investment decisions. The influence of the minimum capital policy is also supported by research Umiyati et al., (2023); Berliana, Ari Ambarwati, & Yacobus (2022); Ardiana et al.,(2020) ; Infokum (2022) shows that the minimum capital policy has a positive and significant effect on investment decisions, so that the proposed hypothesis is formulated as follows:

H1: The minimum capital policy has a positive effect on investment decisions.

The Influence of Motivation on Investment Decisions

Motivation in the context of investment is the reason for investors, namely the MSME community, to make investment decisions, namely wanting to get

capital gain (profit) from the investment. The influence of motivation on investment decisions is supported by research (Wibowo & Purwohandoko, 2019) ; (Infokum, 2022); (Rahayu & Khoirudin, 2023) ; (Sahputra et al., 2020) shows that motivation has a significant positive effect on a person's investment decision, so that the proposed hypothesis is formulated as follows:

H2: Motivation has a positive effect on investment decisions.

The Effect of Risk on Investment Decisions

The level of risk is the result of the decision of MSMEs to invest so that it will affect the decision of MSMEs. The risk of the investment itself depends on the type of investor. The aggressive type is generally more aware of the principle of high risk high gain because they want a large return, so they are more willing to take risks in investing. Furthermore, moderate investors are investors who have knowledge of investments that have risks, but do not want to take risks with a higher level of return. Finally, conservative investors tend to make investments that are already popular first, these investors will invest for convenience rather than prioritizing returns. The influence of risk on investment decisions is supported by (Marfuah & Anggini Asmara Dewati, 2021) ; (Sahputra et al., 2020); (Asnahwati & Maswir, 2021) shows that risk has

a significant positive effect on a person's investment decision, , so that the proposed hypothesis is formulated as follows:

H3: Risk has a positive effect on investment decisions

The Effect of Benefits on Investment Decisions

Investment benefits are the assumptions of MSMEs regarding the results they expect from investments that can influence investment decisions. If they consider investment as a facility to increase productivity, profits, or business expansion, they will make a decision to invest. The influence of benefits on investment decisions is supported by (Sahputra et al., 2020) ; (Witakusuma, Kurniawan, & Sujana, 2018) shows that investment benefits have a significant effect on a person's investment decision, so that the proposed hypothesis is formulated as follows:

H4: Investment benefits have a positive effect on investment decisions.

The Effect of Knowledge on Investment Decisions

Knowledge is a person's insight into something, in this case insight into investment. The level of knowledge of MSMEs about various investment instruments, strategies, and investment consequences. Then

it will affect their investment decisions. The influence of knowledge on investment decisions is supported by (Marfuah & Anggini Asmara Dewati, 2021) ;(Triana & Yudiantoro, 2022); (Tahu, 2020); (Widati et al., 2022) ;(Prabowo et al., 2023); (Asnahwati & Maswir, 2021) shows that investment knowledge has a significant effect on a person's investment decision, so that the proposed hypothesis is formulated as follows:

H5: Knowledge has a positive effect on investment decisions

II. RESEARCH METHOD

This study uses a quantitative approach with primary data analysis accompanied by multiple linear regression tests using the SEM-PLS 3.3.5 analysis tool. By using a quantitative approach, this study aims to determine the effect of minimum capital policies, motivation, risk, benefits, and knowledge on investment decisions in Central Lombok MSMEs.

This study uses primary data obtained from the results of questionnaires distributed online to respondents in Central Lombok Regency. The population in this study is the Central Lombok community who have MSMEs. The research sample amounted to 121 respondents. The sampling technique used is purposive summing, and is determined by the following criteria:

(1) Central Lombok Community (2) have MSMEs.

The data analysis method used is multiple linear regression test to see the effect of minimum capital policy, risk, motivation, benefits and knowledge on MSME decisions in Central Lombok through validity test, reliability test, and model fit test. The validity test used in this study is convergent validity through outer loadings. An indicator is said to have good validity, if the outer loading value is above 0.7, while the outer loading value can still be tolerated up to 0.5 and below the value of 0.4 can be dropped from the analysis (Ghozali, 2023). Convergent validity is conducted to reveal how an indicator is positively correlated with other indicators of the same construct. The requirement for an outer loadings score above 0.7 discriminant validity is conducted using the Formell an Larcker criteria. In this study, the reliability test used was through the composite reliability value, a variable can be declared to meet composite reliability if it has a composite reliability value > 0.7 (Ghozali, 2023). Reliability Test with composite reliability above can be strengthened by using the cronbach alpha value. A variable can be declared reliable / meets cronbach alpha if it has a value > 0.6 (Ghozali, 2023). In addition, in this study the model test used is using an inner model with an R square value, a

good R square value is > 0.05 (Ghozali, 2023).

III. RESULTS AND DISCUSSION

The sample consisted of 121 respondents. As seen in table 1, men numbered 19%, while women numbered 81%. Most respondents (40%) were between 21 and 30 years old.

Table 1. Demographic profile of respondents

Variable	N	%
Gender		
Man	23	19%
Woman	98	81%
Age		
15-20	13	11%
21-30	48	40%
31-40	19	16%
41-50	30	25%
51-60	11	9%
Level of Education		
SD	2	2%
SMP	26	21%
SMA	64	53%
SARJANA	29	24%

The theoretical framework was tested using PLS-SEM (Partial Least Squares Structural Equation Modeling) software from SmartPLS 3.3.5. PLS-SEM (variance-based SEM) is a causal modeling technique that focuses on maximizing the variation of dependent latent constructs explained by independent variables. The reason why this study uses PLS-SEM is because this study examines the influence of minimum policies, motivation, risk, benefits, and knowledge on investment

decisions in MSMEs. Validity testing was carried out by distributing questionnaires to 121 respondents. The questionnaire consisted of twenty-six (26) question items and the data obtained will be processed on an ordinal scale. The results are as follows:

Tabel. 2 Outer loadings, AVE, Cronbach`s Alpha, Composite Reliability

	Items	Loadings	AVE	CA	CR
Investment Decision	KI.1	0.718	0.548	0.587	0.784
	KI.2	0.736			
	KI.3	0.765			
Minimum Capital Policy	KM.1	0.777	0.533	0.704	0.819
	KM.2	0.718			
	KM.3	0.796			
	KM.4	0.614			
Investment of Motivation	M.1	0.715	0.468	0.717	0.814
	M.2	0.648			
	M.3	0.698			
	M.4	0.706			
	M.5	0.649			
Risk of Investment	RI.1	0.402	0.453	0.570	0.754
	RI.2	0.837			
	RI.3	0.809			
	RI.4	0.542			
Benefit of investment	MI.1	0.524	0.460	0.602	0.770
	MI.2	0.740			
	MI.3	0.748			
	MI.4	0.679			
Knowledge of Investment	PI.1	0.719	0.540	0.715	0.824
	PI.2	0.826			
	PI.3	0.712			
	PI.4	0.673			

A variable is said to be valid if the outer loading value is > 0.7 , while the outer loading value can still be tolerated up to 0.5 and below the value of 0.4 can be dropped from the analysis. (Ghozali, 2023) . Table 2 shows that the convergent validity

value of each variable has met the requirements. The smallest value is shown in the outer loading of Investment Risk (RI) which is 0.402. This value is still acceptable because it ranges from 0.4 to 0.5. So it can be concluded that all variable indicators meet the validity test. A variable is said to be reliable if the Composite Reliability value is > 0.7 (Ghozali, 2023).

Table 2 shows that the composite reliability value of each variable has met the requirements. The smallest value is shown in the Investment Risk Composite Reliability (RI) which is 0.754. This value is still acceptable because it ranges from 0.60 to 0.70. So it can be concluded that all variable indicators meet the reliability test.

From the data test related to the Formell-Larcker criteria, it also shows that the AVE root of each variable is higher than the correlation between one variable and another. For example, the minimum capital policy (KM) variable which has an AVE root value of 0.740 which shows that the AVE core value is higher than the correlation of other variables which have a value range of 0.402 to 0.614. Finally, it can be concluded that all variables in this study have good and valid discrimination validity.

Model Suitability Test

This test is carried out by looking at the R-square value to measure the level of variation in changes in the independent variable to the dependent variable. From the data test that has been carried out, it shows that the R square value is 0.529. This shows that 52.9% of this variable is explained by the variables of minimum capital policy, motivation, risk, benefits, and knowledge. While the remaining 47.1% is explained by other variables.

Hypothesis Testing

R-Square Results Variable R square is 0.529 The next test is to see the level of significance between variables on the Path Coefficient. Hypothesis testing carried out includes testing the influence of 5 independent variables, namely minimum capital policy, motivation, risk, benefits, and knowledge with the condition that P-Value < 0.05 Based on the test results in table 3, it shows that there are 3 accepted hypotheses, namely H2, H3 and H4, while the other two hypotheses are rejected.

Table. 3 Results of Path Coefficient Variables

Hypothesis	Original Sample	P-Value	Description
Policy ->Decision	0.029	0.730	Rejected
Motivation->Decision	0.311	0.001	Accepted
Risk->Decision	0.323	0.001	Accepted
Benefit->Decision	0.259	0.024	Accepted
Knowledge->Decision	(0.052)	0.568	Rejected

Based on the results of the table data above, it can be concluded that hypothesis 1 is rejected, where the original sample value is 0.029 so that the minimum capital policy has no relationship with investment decisions. The P-Value value of 0.730 which is more than 0.05 indicates that this relationship is not significant. Thus, there was no significant influence of the minimum capital policy on investment decisions by MSMEs in Central Lombok, which means that the first hypothesis has no significant effect. The results of this study are contrary to research (Ardiana et al., 2020), (Oktary et al., 2021), (Syaputra & Aslami, 2022), (Ardiana et al., 2020), and (Ardiana et al., 2020) which states that the minimum capital policy has a positive effect on investment decisions, meaning that the smaller the minimum investment capital, the greater the decision of MSMEs to invest, and vice versa. This hypothesis is not supported because the respondents in this study were MSMEs in Central Lombok, most of whom did not use their profits to invest.

Therefore, even if there were investment opportunities that provided low minimum capital policies, this would not be able to encourage the decision of MSMEs in Central Lombok to invest. Meanwhile, the results of testing hypothesis 2 were accepted because it was found that there was a significant effect of motivation on investment decisions by MSMEs in Central Lombok, which means that the second hypothesis had a significant effect. This can be seen from the original sample of 0.311, which shows a positive relationship between motivation and investment decisions. The P-Value value is 0.001, which is also less than 0.05. The results of this study also succeeded in proving the second hypothesis, which states that there is a positive effect between investment motivation and investment decisions by MSMEs in Central Lombok. This means that the higher the investment motivation, the higher the decision to invest by MSMEs. The results of this study are in line with research conducted by (Aristi, 2022), (Widati et al., 2022), (Firdaus & Ifrochah, 2022), (Aristi, 2022), dan (Naldi & Muljaningsih, 2022) shows that investment motivation has a direct relationship with investment decisions. The increasing motivation of a person in this case MSMEs in Central Lombok to seek profit in investing, the decision to invest will also increase. High motivation plays

a very important role in growing a person's decision to invest.

The results of testing hypothesis 3 were accepted because it was found that there was a significant influence of risk on investment decisions by MSMEs in Central Lombok, which means that the third hypothesis has a significant effect. This can be seen from the original sample of 0.323 which shows a positive relationship between risk and investment decisions. The P-Value value is 0.001 which is also less than 0.05. The results of this study also succeeded in proving a significant influence between investment risk on investment decisions of MSMEs in Central Lombok to make investments. The results of this study are in accordance with the research (Ardiana et al., 2020), (Sahputra et al., 2020), (Ardiana et al., 2020), (Asnahwati & Maswir, 2021), (Aristi, 2022), and (Naldi & Muljaningsih, 2022) shows that investment risk has a significant effect on investment decisions. The more courageous a person in this case, MSMEs in Central Lombok to accept risks in investing, this is in accordance with the indicators in the risk variable, the level of risk is directly proportional to the profits obtained and they are able to accept all risks when making investments.

The results of the fourth hypothesis test were accepted because it was found that there was a

significant effect of benefits on investment decisions by MSMEs in Central Lombok, which means that the fourth hypothesis has a significant effect. . This can be seen from the original sample of 0.259 which shows a positive relationship between motivation and investment decisions. The P-Value value is 0.024 which is also less than 0.05. The results of this study also succeeded in proving a significant effect between investment benefits on investment decisions of MSMEs in Central Lombok to invest, in addition, the perception of investment benefits is directly proportional to the behavior of MSMEs in Central Lombok in investing, where the higher the investment benefits, the greater the decision of MSMEs to invest. The results of this study are in line with previous research conducted by (Sahputra et al., 2020) and (Witakusuma et al., 2018). The results of the study indicate that the benefit variable has a significant effect on investment decisions. The more benefits from the investment, the more the decision to invest will increase. The benefits of the investment itself play a very important role in growing a person's decision to invest.

In addition, the results of the hypothesis 5 test were rejected because there was no significant effect of knowledge on investment decisions by MSMEs in Central

Lombok, which means that the fifth hypothesis has no significant effect or is rejected. Where the original sample value is (0.052) so that the minimum capital policy has no relationship with investment decisions. The P-Value value of 0.568 which is more than 0.05 indicates that this relationship is not significant. The results of this study are contrary to the research conducted (Marfuah & Anggini Asmara Dewati, 2021), (Triana & Yudiantoro, 2022), and (Widati et al., 2022), shows concludes that investment knowledge influences investment decisions. Armed with the knowledge possessed by the individual, it will be useful for managing their investment so that the higher the investment knowledge, the higher the decision to invest. The unsupported hypothesis is likely because the respondents in this study were the Central Lombok UMKM community, most of whom had low knowledge about investment.

IV. CONCLUSION

This study aims to determine the effect of minimum capital policy, motivation, risk, benefits, and knowledge. The findings of this study indicate that three variables, namely motivation, risk, and benefits, have a positive effect on investment decisions by MSMEs. On the other hand, minimum capital policy and knowledge were found to have no significant effect on

investment decisions by MSMEs. The limitations of the study are explained as follows. First, data that may be obtained in filling out the questionnaire because respondents are not serious in providing answers, and second is researchers did not interview consumers so that the results obtained were only based on questionnaire items, so that the results of the study may be less in-depth in exploring other determinant factors. From this series of research processes, the researcher recommends several suggestions to further researchers, namely that further research is expected to add other variables related to investment decision making by MSMEs. Further research is expected to use an interview method or open questionnaire, and further research is expected to conduct research with a larger sample, so that the research conducted becomes even better.

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