

THE EFFECT OF RISK TOLERANCE ON CRYPTOCURRENCY INVESTMENT DECISIONS

Nuraini¹, Ahmad Rifa'i²

^{1,2}Management Study Program, Faculty of Economics and Business, Universitas Islam Indragiri, Indonesia

*e-mail: nurainiv83@gmail.com

Article Info

Article history:

Received 06 22, 2023

Revised 06 26, 2023

Accepted 06 30, 2023

Keywords:

Cryptocurrency
Risk Tolerance
Investation decision
Investment

Abstract

This research was conducted with the aim of knowing whether there is an effect of risk tolerance on cryptocurrency investment decisions. In this study, data analysis used a simple regression analysis method using the SPSS Statistics 25 application. Data sources used primary and secondary data while data types used quantitative data with an associative approach. The research population that was conducted by the researchers were active and inactive investors in cryptocurrency investing with a sample of 96 people from a small number of sub-districts across Indonesia. With data collection techniques through a questionnaire using a Likert scale. Based on the results of the t test, there is a significant influence of the Risk Tolerance variable on Cryptocurrency Investment Decisions.

1. INTRODUCTION

Background problem

With the advancement of technology and the current development of information, the Indonesian people have realized the importance of investing. Along with economic and technological developments, the types of investments that exist today are increasingly diverse, such as gold, property, savings deposits, stocks, bonds, mutual funds, and cryptocurrency investment is currently booming. Cryptocurrency investment is a form of digital coin investment that uses a technology system blockchain which is in the form of a digital data storage system containing records connected via cryptography as a ledger recording that utilizes peer to peer networks.

Cryptocurrency asset is a digital currency that has no form and is not bound by agency anywhere. Based on the Investing.com website, there are currently 10,447 types of cryptocurrency assets or coins circulating in the world with different values and prices for each currency. These cryptocurrencies created to address the need for fast online transactions without involving third parties or financial institutions. According to financial.bisnis.com in Indonesia cryptocurrency is not legalized as the currency for transactions and its regulations are still unclear, Bank Indonesia, which is the controlling holder of the monetary system represented by the Governor of Bank Indonesia Mr. Warjiyo said emphatically that the use of cryptocurrency as a means of transaction is not a legal payment.

However, investing in cryptocurrency assets can still be done which way entered as a commodity in accordance with Commodity Futures Trading Regulatory Agency Regulation Number 5 of 2019 concerning Technical Provisions for Organizing the Physical Market for Crypto Assets (Crypto Assets) on Futures Exchanges whose supervision done by BAPPEBTI this is because there is a large investment potential in this cryptocurrency asset which if forbidden worried impact on the number of investments that come out because consumers will look for markets that legalize crypto assets. By treating cryptocurrency as a digital asset, it is hoped that it can be used as an investment instrument.

The Head of the Market Development and Development Bureau of the Commodity Futures Trading Supervisory Agency (BAPPEBTI) said that currently there are crypto assets being traded in the foreign market and the domestic market, and currently abroad such as BTC, ETH, USDT, TETHER and so on. when it is to be traded at domestic traders, it must be registered first and included in the list of crypto assets traded domestically according to BAPPEBTI number 7/2020, there are still 229 coins/tokens and can be added according to market demand. The following is a list of crypto assets that can be traded in Indonesia according to Bappebti regulation No. 7 of 2020.

Bitcoin, Ethereum, Tether, Xrp/ripple, Bitcoin cash, Binance coin, Polkadot, Chainlink, Litecoin, Bitcoin sv, Litecoin, Crypto.com coin, Usd coin, Eos, Tron, Cardano, Tezos, Stellar, Neo, Nem, Cosmos, Wrapped bitcoin, Iota, VeChain, Dash, Ethereum classic, Yearn.finance, Theta, Binance usd, Omg network, Maker, Ontology, Synthetix network token, Uma, Uniswap, Dai, Doge coin, Algorand, True usd, Bittorrent.Compound, 0x, Basic attention token, Kusama, Ok blockchain, Waves, Digibyte, Icon, Qtum, Paxos, standard, Ren protocol, Loopring, Ampleforth, Zilliqa, Kyber network, Augur, Lisk, Decred, Bitshares, Bitcoin gold, Aragon, Elrond, Enjin coin, Band protocol, Terra, Balancer, Nano, Swipe, Solana, Bitcoin diamond, Dfi.money, Decentraland, Avalanche, Numeraire, Golem, Quant, Bytom, Serum, Iexec rlc, Just. Verge, Pax gold, Matic network, Kava, Komodo, Steem, Aelf, Fantom, Horizen, Ardor, Hive, Enigma, V. Systems, Z coin, Wax, Stratis, Ankr, Ark, Syscoin, Power ledger, Euro stasis, Harmony, Pundi x, Solve.care, Gxchain, Cofi, Origin protocol, Xinf network, Btu protocol, Dad, Orion protocol, Cortex Sandbox, Hash gard, Bora, Waltonchain, Wazirx, Polymath, Request, Pivx Cofi, Fusion, Dent, Airswap.

Civic, Metal, Standard token protocol, Mainframe, 12ships, Lambda, Function x, Cred, Ignis, Adex, Moviebloc, Groestlcoin, Factom, Nexus, Lbry s, Gemini dollars, Einsteinium, Vidycoin, Nkn, Go chain, Cream finance, Medibloc, Fio protocol, Nxt, Aergo, High performance blockchain, Cartesi, Tenx, Siacoin, Raven coin, Status, Storj, Electroneum (etn), Aurora, Orbs, Loom network. Storm, Vertcoin, Ttc, Metadium, Pumapay, Nav coin, Dmarket, Spendcoin, Tael, Burst, Gifto, Sentinel protocol, Quantum resistant ledger, Digix gold token, Blocknet, District0x, Propy, Eminer, Ost, Steamdollar. Particl, Data, Sirinlabs, Tokenomy, Digitalnote, Abyss token, Cake, Veriblock, Hydro, Viberate, Rupiah token, Vexanium, Global social chain, Ambrosus, Refereum,

Crown, Daex, Cryptaur, Spacechain, Expanse. Sumokoin, Honest, Auroracoin, Vodi x, Smartshare, Exclusive, Cosmo coin, Aidcoin, Adtoken, Play game, Lunacoin, Staker, Klaytn, Flamingo, Wing, Bella protocol, Milk, Bakery token, Lyfe, Ionomy limited. Smart chain solution, Kryptovit, Eautocoin, Quantum, Bankex, Chaincoin, Hara coin, Venus protocol, Alpha finance.

Bappebti stipulates that only 229 types of crypto are recognized to be traded in Indonesia. There are also two approaches to determining the type of crypto, namely the first approach is juridical by looking at the ranking of 500 coin market/CMC in accordance with the provisions. While the second approach is to assess the process hierarchy analysis (AHP) of Co FTRA while paying attention to security aspects, the profile of the developing team and team members, governance of the blockchain system, scalability of the blockchain system, a roadmap that describes plans for developing a blockchain system whose achievements can be verified, and value. standard 6.5. It should also be noted that investment in crypto assets has a very high fluctuating rate, in contrast to other commodities such as gold, which have an increasing rate the decline not as big as cryptocurrency assets, cryptocurrency assets can increase 100-1000% in a few months as well as decline cryptocurrency assets can experience a decrease of up to 50-100%. This cryptocurrency asset has a very volatile price so investors must of course be careful when investing their money in this asset, it must be noted that this asset is full of uncertainties (Librianty, 2021)

Cryptocurrency investment has been very popular lately in Indonesia. Where, as reported by the Trade Regulation Review Report Commodity Crypto assets compiled by the Center of Economic and Law Studies (CELIOS) the number of crypto currency asset investors as of the end of October 2022 reached 16.1 million people, this number is far higher than the Indonesian capital market investors which numbered 9.3 million people . From the amount of the increase can seen that more and more people are deciding to invest in cryptocurrency assets. Investment decision is a decision made by someone in using their funds at this time with hope get future profits. With the development of these assets, of course, financial behavior will influence someone in the investment decision process. Previous research has conducted many studies on cryptocurrency investment. Wulandari and Iramani, (2014) conducted research on experienced regret, risk tolerance, overconfidence and risk perception studies in economics lecturer investment decision making. The results of this study are that only risk tolerance and risk perception have a significant effect on investment decision making, but experienced regret and overconfidence.

Yunita, (2020) conducted research on the effect of risk perception, risk tolerance and overconfidence on investment decision making as a result study This risk perception partially does not have a significant effect on investment decision making, Risk tolerance partially has a significant effect on investment decision making, Overconfidence partially has no significant effect on investment decision making. Vicky, (2021) conducted research on financial influences, literacy, illusion of control, overconfidence, risk perception, risk tolerance and experienced regret of investment decisions (a case study at the investment gallery of UIN Suska Riau). The results of this study indicate that partially overconfidence and risk perception have a positive and significant effect on the investment decision of the study at the Suska Riau State University investment gallery, while the financial literacy illusion of control variable, risk tolerance does not affect the investment decision of the study at the Riau State University investment gallery. Simultaneous test results show the effect of financial literacy, illusion of control, overconfidence, risk perception, risk tolerance and experienced regret have a positive and significant influence on the investment decisions of Uin Suska Riau.

From existing previous research on some research results say that risk tolerance has a significant effect on investment decisions and there are several previous researchers whose research results say that risk tolerance has no significant effect on investment decisions. Therefore researchers want to conduct research that focuses only on risk tolerance for investment decisions in cryptocurrency. To know, analyse and explains the risk tolerance variable for investment decisions in cryptocurrency. Based on the description of the background above, this research is entitled **"THE EFFECT OF RISK TOLERANCE ON CRYPTOCURRENCY INVESTMENT DECISIONS"**.

Problem Formulation

Based on the background above then pull it the formulation of the problem is as follows:

1. What is the description of risk tolerance and cryptocurrency investment decisions?
2. How much influence does risk tolerance have on cryptocurrency investment decisions?

Research purposes

Based on the background of the problem and the formulation of the problem above, the research objectives to be achieved are:

1. To obtain a description of risk tolerance and cryptocurrency investment decisions.
2. To analyze the effect of risk tolerance on cryptocurrency investment decisions.

2. LITERATURE REVIEW

Financial Management

Definition of Financial Management

According to Sartono (2011), the term financial management can be interpreted as good fund management related to allocating funds in various forms of investment effectively as well as efforts to collect funds for financing invest or spend efficiently. The executor of financial management is the financial manager. Although the function of a financial manager in every organization is not necessarily the same, in principle the main function of a financial manager is to plan, seek and use various ways to maximize the efficiency (effectiveness) of the company's operations.

According to Mustafa (2017), financial management explains several decisions that must be made, namely investment decisions, funding decisions or decisions to ful fill funding needs, and dividend policy decisions. According to Darsono (2011), financial management is the activity of owners and borrowing companies to obtain the cheapest possible sources of capital and use them as effectively, efficiently and economically as possible to generate profits. From the journal Fauzan and Rusdiyanti (2022) include expert opinions according to Horne and Wochowicz (2012) defines "Financial management is all activities related to the acquisition, funding and management of assets with several objectives.

Financial management is related to 3 activities, namely:

1. Activities using funds, namely activities to invest funds in various assets.
2. Fundraising activities, namely activities to obtain sources of funds, both from internal funding sources and external funding sources of the company.
3. Asset management activities, namely after the funds are obtained and allocated in the form of assets, the funds must be managed as efficiently as possible.

Objectives of Financial Management

Efficient financial management requires goals and objectives that are used as standards in providing efficiency assessments of financial decisions. According to Husnan (2012), social considerations of responsibility can be seen from four aspects, namely:

1. Normatively, the objective of financial decisions is to maximize firm value. Firm value is the price that is willing to pay.
2. By prospective buyers if the company is sold. For companies that issue shares on the capital market, the price of shares traded on the stock exchange is an indicator of the company's value.
3. Maximizing company value (or stock price) is not synonymous with maximizing earnings per share (Earning Per Share). This is because maximizing EPS ignores the time value of money, and does not pay attention to risk factors.
4. Thus maximizing firm value is also not synonymous with maximizing profit, if profit is defined as accounting profit. Conversely, maximizing the value of the company will be synonymous with maximizing profit in the economic sense (economic profit). This is because economic profit is defined as the amount of wealth that can be consumed without making the owner of that wealth poorer. Unfortunately, the concept of economic profit

will be very difficult to apply, so if we hear the term profit within the scope of the company, we can be sure that the meaning is the meaning of accounting.

5. With there by The purpose of financial management can actually apply to anyone, not limited to companies. It's just for the company level in some specificities. These specialties include:
 - 1). Companies can be owned by more than one person.
 - 2). There are rules that apply to companies.
 - 3). Use of accounting principles to record financial transactions within a company.

Function of Financial Management

According to Husnan (2012), there are 4 main functions of financial management, namely:

1. Financial management involves the planning, analysis and control of financial activities. Thus, within the company, these activities are not limited to the "Finance Section".
2. Financial managers need to obtain funds from financial markets or financial markets. The funds obtained are then invested in various activities company, to fund the company's activities. If the activity of obtaining funds means that the company issues financial assets, then the activity of investing funds causes the company to have real assets.
3. From the activity of investing funds (called investment), the company expects to obtain greater results than its sacrifice. In other words, it is hoped that "profit" will be obtained. It is necessary to decide whether the profit earned is returned to the owner of the funds (financial market) or reinvested in the company.
4. Thus the "financial manager" is necessary take decisions about the use of funds (referred to as investment decisions), obtaining funds (referred to as funding decisions), profit sharing (referred to as dividend policy).

Definition of Investment

Investment has several meanings related to finance and economy. In economic theory, investment is defined as spending to purchase capital or goods that are not consumed at this time but are used for production activities to produce goods or services in the future. Investment can also be referred to as capital investment. Here are some definitions of investment according to experts:

According to Jogiyanto (2010), the notion of investment is delaying current consumption for use in efficient production during period certain time. From the journal Fauzan and Syafitri (2022) including expert opinion according to Tandellin (2010), investment is: "A commitment to a number of funds or other resources that are carried out at this time, with the aim of obtaining a number of benefits in the future. Investors buy a number of shares at this time with the hope of benefiting from an increase in share prices or a number of dividends in the future, as a reward for the time and risk associated with the investment.

According to Martalena and Malinda (2011), investment is a form of delay consumption the present to obtain consumption in the future, where inside it contains an element of risk of uncertainty so that it is required compensation for the delay. Meanwhile, according to Bodie (2005), At investment is the current commitment of money or other resources in the expectation of reaping future benefits. In Indonesian, the meaning is, investment is a commitment to invest in the form of money and other resources at this time with the hope of obtaining profits in the future. From the opinion of some of the experts above, it can concluded that investment is an activity that sacrifices related resources in the present to gain profits in the future. Not only hoping for big profits, but investors must also pay attention to the risks that will be faced in investing.

Investment Decision

Investment activities require someone to spend the funds they currently have to get big profits in Century will come. There are things that underlie investors in making investment decisions which investors want with high profits, investors will also face high risks as well. Wulandari and Iramani (2014) argue that investment decision making is a policy taken to invest in one or more assets that generate profits in the future. The investment decision is an action chosen to save some of the current income with the hope that you will benefit from an increase in asset value in the future (Novianggie and Asandimitra, 2019). Investment decisions have the goal of

being able to obtain an increase in asset value in the future (Addinpujoartanto and Darmawan, 2020). Decision making can be carried out effectively by selecting investments that are in accordance with investor objectives, return rates, timeframes and existing risks (Ainia and Lutfi, 2019).

The indicators used to measure investment decision variables are adopted from research conducted by Wulandari and Iramani (2014), namely:

1. Use of income for risky investments.
2. Investment without consideration.
3. Unsecured investment.
4. Investments based on intuition or feelings.

Based on these investment decision indicators, investment decisions can be measured, understood and used as a good result for the interest in investment decisions both active and inactive in investing.

Risk Tolerance

An investor will always be faced with profits and risks. The higher the profit, the higher the risk that will be faced. Risk is an uncertainty that can cause unwanted losses, if the tolerance to risk is ignored then the planning and implementation can be risky not in accordance with the risk profile. Wulandari and Iramani (2014), Risk tolerance is the level of investor ability to accept different risks which depend on age, status, career, income, wealth and term of income prospects. With a high risk tolerance someone will tend to make bolder decisions compared to people with a low level of risk tolerance (Budiarto and Susanti, 2017). Abdul Halim (2003), explains that investors' preferences for risk are divided into three groups. First, risk seekers are investors who like risk. Second, risk neutrality, namely investors who are neutral to risk. Third, risk averter, namely investors who do not like risk or avoid risk.

The indicators used to measure the risk tolerance variable were adopted from research conducted by Wulandari and Iramani (2014), namely:

1. Unsecured loans.
2. Use of income for investment that is chancy.
3. Purchasing assets for businesses without consideration.
4. Invest in activities that provide large returns.

Based on these risk tolerance indicators, risk tolerance can be measured, understood and used as a good outcome for the benefit of knowing risk tolerance for both active and inactive investors in investing.

Cryptocurrency

Cryptocurrency comes from a combination of two words namely, "cryptography" which means secret code and "currency" which means currency, so that cryptocurrency is a currency that functions as a virtual medium of exchange used in a transaction and has the advantage of being free of service fees (Huda and Hanbali, 2020). Cryptocurrency uses an opener known as the blockchain system (Andrianto, 2017).

Blockchain is a distributed book keeping technology in which every participant who joins the distributed network has access rights to the book keeping (Noorsanti et al., 2018). Cryptocurrency also has its own uniqueness, which is decentralized which means there is no third party interference inside it in this case the government (Dixon Jr, 2019). Initially cryptocurrency was created as an alternative to traditional currency because it was considered that transactions with cryptocurrencies were much cheaper and faster than other currencies. traditional, but now cryptocurrency has developed as a new investment instrument in the investment world (Rejeb et al., 2021). Cryptocurrency is included in a risky investment that has a high level of volatility, this is due to the law of market needs and supply where if there are a few coins in circulation, the more offers will certainly have an impact on price increases, and vice versa (Ausop and Aulia, 2018). According to Ausop and Aulia (2018) define cryptocurrency as a payment system designed peer-to-peer electronic cash system, where transactions are always recorded and distributed openly, verified through the network computer using cryptography, connected peer-to-peer and then distributed throughout the wide network of computer owners around the world. From the explanation of the definition above, it can be concluded that cryptocurrency is a digital currency that is designed

peer-to-peer electronic system and uses the blockchain system in the transaction recording system. Cryptocurrency is a digital currency that is carried out based on an internet network, used by certain parties with guaranteed identity confidentiality in the protection of a proven blockchain system. However, that doesn't make cryptocurrencies minimally risky. Without regulations that become a legal umbrella, transactions with digital money are high risk. Not to mention the problem of unstable fluctuations in the value of digital money, so that currency values fluctuate so quickly.

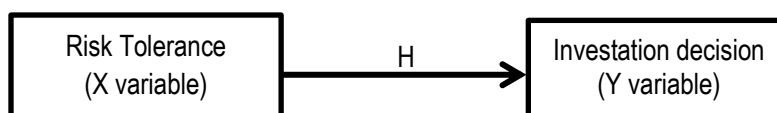
This currency is decentralized, which means that no single party is an intermediary in a transaction. So, payments take place peer-to-peer, which means they are made directly between the sender and recipient. Also, all transactions will be recorded through the available system with optimal security. Based on the results of the analysis that has been carried out, the increase in cryptocurrency is so significant because it is influenced by several factors as follows:

1. Adopting digital technology, all cryptocurrency activities have been carried out digitally, in the era of social revolution, the growth of science and technology is developing very fast. Almost all human activities have used technology. The use of technology in the digital revolution era has become a major requirement. (Bhiantara, 2018). This is proven by the level of cryptocurrency development from year to year which is considered quite significant. (Saputra, 2018)
2. Cryptocurrency enters the crypto stock exchange, in a few countries have opened and legalized cryptocurrency stock exchanges. Crypto Securities Exchange (CSX) which is the world's first blockchain-based stock exchange. The exchange is registered with the United States Securities and Exchange Commission (SEC). (Pratiwi, 2018) Indonesia itself has a digital currency exchange that has been registered with the Commodity Futures Trading Regulatory Agency (Bappebti) and officially has CISA/CISSP certification. namely the Indonesian Crypto-Aset Exchange Monitoring System or the Indonesian Crypto Asset Exchange Monitoring System by the Digital Future Exchange Indonesia (DFX).
3. Anti-inflation, the potential increase in cryptocurrency prices in the future makes cryptocurrency considered an investment asset that is anti-inflation and attractive for investors to keep. Saving cryptocurrency is predicted to be able to protect the value of assets owned rather than storing assets in currency.
4. Safe, to maintain security, cryptocurrencies are generally protected by complex cryptographic passwords. The cryptocurrency transaction process goes through several stages including a unique signature or cryptographic signature for each block and the Consensus Protocol, which is a process of obtaining mutual agreement that a transaction is valid. However, cryptocurrency investors must remain vigilant against cyber crimes, phishing, fraudulent malware and so on.
5. Relatively lower fees, Cryptocurrency fees tend to be cheaper, because providers don't need to build infrastructure each (Mulyanto, 2015). Transactions in cryptocurrency do not have third parties, so transactions using cryptocurrency do not have a limit/limit on the number of transactions, unlike transactions using conventional currencies which have certain limits/limits, the process of transactions using cryptocurrency is also considered much faster and costs incurred are cheaper than using conventional money. Because it is decentralized, cryptocurrency requires sophisticated and qualified computer specifications. In general, they will use a blockchain platform to make transactions easier.

Framework of Thought

The variables that have been grouped in the theoretical study will be formed into one of the following frameworks:

Figure 1 : Thinking Framework



Hypothesis

According to Sugiyono (2018) what is meant by a hypothesis is a temporary answer to the research problem formulation. From the background of the problem, the formulation of the problem, and related to the theory, the following hypotheses can be put forward:

H: There is an influence of risk tolerance on Cryptocurrency Investment decisions.

3. RESEARCH METHODS

Research Design

According to Sugiyono (2011), quantitative data is data in the form of numbers or qualitative data that is numbered. According to Sugiyono (2017), an associative approach is a research problem formulation that has the aim of asking about the relationship between two or more variables.

This study uses a quantitative research method with an associative approach to see the effect relationship between variables and test hypothesis which has been formulated. With the results of calculating various relevant statistics to explain risk tolerance for cryptocurrency investment decisions. This research uses instrument the questionnaire is in the form of an online google form web-based questionnaire that is distributed in various cryptocurrency investment community groups on WhatsApp and Telegram.

Location and Time of Research

This research was carried out from October 2022 until completion, including preparation and implementation. The entire series of this research uses web investing.com

Population and Sample

Population

According to Sugiyono (2016), population is an area consisting of objects or subjects that have certain qualities and characteristics that are applied by researchers to be studied and in later conclusion is drawn. The population in this study are investors who are active or not actively investing in cryptocurrencies whose population size is unknown.

Sample

According to Riduwan (2015), the sample is part of the population that has certain ideals or conditions to be studied. The sample in this study are investors who are active or not actively investing in cryptocurrency. Sampling was carried out using a purposive sampling technique in which the sample was determined from those who fulfilled it criteria to be used as a research sample (Sugiyono, 2016). Following criteria sampling:

1. Age 15-54 years
2. Have income

Because the population size is unknown, the sample size is determined based on calculations using the Lemeshow formula (Nur Fadil and Rustam, 2020). If the population is not known then the following formula can be used to find the number of samples;

$$n = (z^2 \cdot p \cdot (1-P)) / d^2$$

Information :

n = Number of samples

Z = Z value at 95% confidence (1.96)

P = maximum estimate (0.5)

D = alpha (0.10) or sampling error = 10%

Formula usage:

$$n = (1.96^2 \cdot 0.5 \cdot (1-0.5)) / 0.1^2$$

$$n = (1.96^2 \cdot 0.5 \cdot 0.5) / 0.1^2$$

$$n = (3.8416 \cdot 0.25) / 0.01$$

$$n = 96.04$$

From these calculations, the results obtained were 96.04, so they were rounded up to 96. So in this study the sample used was 96 people. Question naire distributed in the form of google form to 96 people who are active or not active in cryptocurrency investing. Where all question naire successfully filled in and collected using a google form which facilitates the process of filling out and collecting data. Distribution of questionnaires in the Telegram application in the questionnaire survey respondent group while in the WhatsApp application in the FEB Management group, Alumni of SMAN Bina Bhakti Sapat, PSHT Indragiri Hilir, Sapat Residents and there was distribution of questionnaires by personal contact at Telegram and WhatsApp.

Perational Definition and Variable Measurement

Definition operational research variable

which variable used In this study there are 2 independent and dependent variables. In this study, the independent variable is risk tolerance, the dependent variable is investment decisions.

1. Independent Variable

Sugiyono (2013), defines the independent variable (independent variable) as the variable that influences or causes the change or the emergence of the dependent (dependent) variable. The X variable is risk tolerance.

2. Dependent Variable

Sugiyono (2013), defines the dependent variable (dependent variable) as the variable that is affected or the result, because of the independent variables. The Y variable is the investment decision.

Measurement of Research Variables

Analysis the data in this study constitute analysis Quantitative, namely data analysis expressed in the form of numbers or data. The data measurement scale used in this study is the Likert scale. The Likert scale is a scale used to measure attitudes, opinions and perceptions of a person or group of people about social phenomena (Sugiyono, 2012). The scale used to measure the subject's response to a 5 (five) point scale with the same number of intervals. The variable measurement scale for the respondent's answers is:

Research Variable Measurement

Analysis the data in this study constitute analysis Quantitative, namely data analysis expressed in the form of numbers or data. The data measurement scale used in this study is the Likert scale. The Likert scale is a scale used to measure attitudes, opinions and perceptions of a person or group of people about social phenomena (Sugiyono, 2012). The scale used to measure the subject's response to a 5 (five) point scale with the same number of intervals. The variable measurement scale for the respondent's answers is:

Table 1 Likert Scale Instrument

No	Alternative Answers	Score
1.	Strongly agree	5
2.	Agree	4
3.	Neutral	3
4.	Don't agree	2
5.	Strongly Disagree	1

Source: Sugiyono (2012)

Data Collection

Type and Source of Data

The type of data used in this research is quantitative data, and the data sources used are primary data and secondary data. Primary data is data obtained directly from the data source, namely from investors who are active or not actively investing in cryptocurrency, namely in the form of research respondents' responses. Meanwhile, secondary data is data that is not provided directly to data collectors (Sugiyono, 2018). Secondary data is usually in the form of document files or through various sources, ranging from books, online journals, articles, news and previous research as supporting data and complementary data.

Data Collection Techniques **Questionnaire (Questioner)**

According to Sugiyono (2017), a questionnaire or question naire is a data collection technique that is carried out by giving a set of questions or written questions to the respondent to answer. In this study using an online questionnaire based on the Google web from.

Library Study

According to Sugiyono (2012), literature study is a theoretical study, references as well as other scientific literature related to cultural values and norms that develop in conscientious social situations.

This method is carried out to obtain an appropriate literature review. Thus researchers read, quote, study and analyze from various sources literature books, research journals and theses related to research.

Data analysis

Data analysis according to Sugiyono (2013), is the process of systematically searching for and compiling data obtained from interviews, field notes, and other materials so that it can be easily understood and then informed to others. The data analysis technique used in this study is the Simple Regression Analysis method using the SPSS Statistics 25 application with the following tests:

Test Instrument Data

Validity Test

According to Arikunto (2013), that validity test is a measure that shows the levels of validity or authenticity of an instrument. The questionnaire is said to be valid if the questions on the questionnaire are able to reveal something that will be measured by a questionnaire. To calculate the validity test, compare the values of correlated item-total correlations (r counts) with the results of r table calculations. If r count $>$ r table and the value is positive, then the question or indicator is valid and if r count $\geq$ r table means the question or indicator is invalid.

Uji Reliability

Reliability is to determine the extent to which the measurement results remain consistent, if the measurement is carried out twice or more for the same symptoms using the same measuring instrument (Siregar, 2016). To find out if the questionnaire is reliable testing is carried out reliability of the questionnaire with the help of the SPSS (Statistical Package for Social Sciences) program. The reliability test assessment criteria are:

1. If the Cronbach Alpha results are greater than the significant level of 60% or 0.6 then the questionnaire is reliable.
2. If the Cronbach Alpha results are less than the significant level of 60% or 0.6 then the questionnaire is not reliable.

Classical Assumption Test

Normality Test

Normality Test According to Santoso (2010), the normality test aims to test whether in a regression model, the independent variable, the dependent variable or both have a normal distribution or not. Where to find out whether the data population is normally distributed or not. This test is usually used to measure ordinal scale data, intervals and ratios are as follows:

1. A histogram in the form of a graph to show the distribution of data visually.
2. Scatters plot where a graph is used to see a pattern of relationship between two variables. And in order to use a scatter plot, the scale used must be an interval and ratio scale.

Linearity Test

The linearity test is used to determine the relationship between the independent variable and the dependent variable which is linear (straight line). Linearity test is testing data by looking for the equation of the

regression line of variable X to variable Y. In simple linear regression analysis, the linearity test must be fulfilled. According to Priyanto (2010), test linearity is used to determine whether two variables have a linear relationship if it is significant (Linearity $0 < 0.05$. Linearity can also be determined if it is significant (Deviation from Linearity) > 0.05 .

Heteroscedasticity Test

According to Santoso (2010), test heteroscedasticity aims to determine whether in the regression model there is an inequality of variance from the residual of one observation to another. If the variance of the residual from one observation to another observation remains, it is called homoscedasticity and if the variance is different, it is called heteroscedasticity. A good regression model will not happen heteroscedasticity. To find out whether there is heteroscedasticity can be done by detecting the presence or absence of dot patterns, graphic patterns scatter plot between SREID and SPREADS.

Simple Regression Analysis

Simple Regression Analysis According to Sugiyono (2017), simple linear regression analysis is used to determine the influence or linear relationship between an independent variable and a dependent variable. In this study, a simple linear regression equation is used to determine how much influence risk tolerance (X) has on investment decisions (Y).

$$Y' = \alpha + bx$$

Information :

X = Independent Variable (Risk Tolerance)

Y' = Dependent Variable (Investment Decision)

α = Constant (Value of Y if X = 0)

b = Regression coefficient (Value of increase or decrease)

Test of the Coefficient of Determination (R²)

Analysis of R² (R Square) or the coefficient of determination is used to find out how much percentage contribution to the influence of the independent variables jointly on the dependent variable (Sujarweni, 2015). This means that the model used is stronger to explain the effect of the independent variables studied on the dependent variable. Conversely, if R² is smaller (close to zero), it can be said that the effect of the independent variable under study on the dependent variable (Y) is smaller, this means that the model used is not strong.

T test

The t test in simple linear regression is used to test the effect of the independent variables on the dependent variable (Sujarweni, 2015).

The decision development criteria are:

a. Ho is accepted if t count $< t$ table at $\alpha = 0.05$

b. Ha accepted if t count $> t$ table at $\alpha = 0.05$

4. RESULTS AND DISCUSSION

General Description of the Research Object

a. History of Cryptocurrencies

The initial concept of cryptocurrency emerged in the 1980s, referring to Money crashers. At that time, an American computer scientist and mathematician named David Chaum invented a special algorithm that later became the basis of modern website encryption and today's electronic currency transfers. Chaum then developed his invention until the 1990s and gave birth to a digital currency called Digi Cash. But unfortunately, this innovation failed to develop. Even so, David's invention has an important role in the development of the next cryptocurrency. A dozen years later, a reliable software engineer named Wei Dai created b-money. Launching The Balance, B-money has a concept and system that is more modern and complex than Digi Cash. Again, b-money failed to

develop and never had the opportunity to be used as a medium of exchange. In the late 90's and early 2000's, a conventional digital financial intermediary emerged that still exists today, namely PayPal. PayPal was founded by Elon Musk and is proof of payment for various online transactions.

The development of cryptocurrencies reached a bright spot in 2008. In that year, Satoshi Nakamoto published a book entitled 'Bitcoin - A Peer to Peer Electronic Cash System', citing Forbes. The contents of the book were also posted by Satoshi to the cryptography discussion mailing list. A year later, Satoshi released the first cryptocurrency called Bitcoin to the public. The release received support from cryptographic actors. In 2010, other cryptocurrencies began to emerge.

Since that year the price of cryptocurrency has increased quite significantly. This is what makes many people mine cryptocurrencies that are circulating in limited quantities. However, the price has decreased in recent years due to government regulation and legal protection. In Indonesia itself, crypto money is still not considered a legal means of payment or transaction According to Mulono Apriyanto et al., (2021), cryptocurrency is a system that meets six requirements:

1. The system does not need a central authority, the state is managed by a distributed consensus.
2. The system keeps an overview of cryptocurrency units and their holdings.
3. The system determines whether new cryptocurrency units can be created. If new cryptocurrency units can be created, the system defines their original state and how to determine the ownership of these new units.
4. Ownership of units of cryptocurrency can be proved exclusively cryptographically.
5. This system allows transactions to be carried out where the ownership of the cryptographic unit is changed. Transaction statements can only be issued by entities that attest to current ownership of these units.
6. If two different instructions to change the ownership of the same cryptographic unit are entered simultaneously, the system performs at most one of them.

Research result

a. Overview of Respondents

The research data was obtained using a questionnaire distributed to respondents who are active or not active in investing in cryptocurrency. For more details, details on the level of taking the questionnaire can be seen in the following table:

1. Gender

Table 2. Overview of Respondents by Gender

No	Gender	Number of Respondents	Percentage
1.	Man	29	30.2%
2.	Woman	67	69.8%
Amount		96	100%

Source: Processed Primary Data, 2023

From table 2 it can be seen that the number of male respondents was 29 people (30.2%), and the number of female respondents was 67 people (69.8%). From the table above it can be concluded that there were fewer male respondents than female respondents, with a total of 96 respondents.

2. Age

Table 3. General Description of Respondents by Age

No	Age	Number of Respondents	Percentage
1.	17-25 years	80	83.3%
2.	26-35 years	11	11.5%
3.	36-45 years	3	3.1%
4.	46-55 years	2	2.1%
Amount		96	100%

Source: Processed Primary Data, 2023

From table 3 it can be seen that the number of respondents aged 17-25 years was 80 people (83.3%), for ages 26-35 years were 11 people (11.5%), for ages 36-45 years were 3 people (3.1%), for ages 46-55 years as many as 2 people (2.1%). From the explanation of the table above, it can be concluded that the most respondents aged 17-25 years. With the number of respondents as many as 96 people. Age category according to the RI Depker (2009).

3. Income

Table 4. Overview of Respondents Based on Income Level

No	Income Level	Number of Respondents	Percentage
1.	<IDR 999,999	44	45.8%
2.	Rp. 1,000,000- Rp. 1,999,999	26	27.1%
3.	Rp. 2,000,000- Rp. 2,999,999	12	12.5%
4.	>Rp. 3,000,000	14	14.6%
Amount		96	100%

Source: Processed Primary Data, 2023

Based on table 4 above, it is known that there are income levels of the respondents, including respondents who have a small income of IDR 1,000,000 as many as 44 people (45.8%), income IDR 1,000,000-IDR 2,000,000 as many as 26 people (27.1%) , income Rp.2,000,000-Rp.2,999,999 for 12 people (12.5%), income greater than Rp.3,000,000 for 14 people (14.6%). From the table above it can be concluded that the income of small respondents from Rp.999,999 is the most dominant, apart from the three incomes above. With the number of respondents as many as 96 people.

4. Domicile

Table 5. Overview of Respondents by Domicile

No	Domicile (District)	Number of Respondents	No	Domicile (District)	Number of Respondents
1	Aikmel	1	34	Batam city	2
2	Babakan Madang	1	35	Kretek	1
3	Balerejo	1	36	Kuala Indragiri	4
4	Bandung	1	37	Lampung	1
5	Banten	1	38	Lowok Waru	4
6	Batam	1	39	Poor	2
7	Old Trunk	4	40	Maphar	1
8	Bekasi	1	41	Medan	3
9	Object	1	42	East Medan	1
10	West Fortress	1	43	Mustika Jaya	1
11	Bogor	2	44	Thursday market	1
12	Cibinong	1	45	Sunday market	1
13	Cikarang	1	46	East Pekalongan	1
14	West Cilandak	1	47	Rainbow	2
15	Cilodong	1	48	Palm Hut	1
16	Cipondoh	1	49	Praya	1
17	Dayeuhkolot	1	50	Samarinda upstream	1
18	Close	1	51	New Attack	1

No	Domicile (District)	Number of Respondents	No	Domicile (District)	Number of Respondents
19	Front	1	52	Solo	1
20	Duren Palm	1	53	Sukadono	1
21	Kosambi thorn	1	54	Bandung Well	1
22	Enok	2	55	North Sumatra	2
23	Gambir	1	56	Princess Talang	1
24	Serka's Child Echo	3	57	Tanah Abang	1
25	Indra Laya Utara	1	58	toilet	1
26	Jakarta	1	59	Pucung Bay	1
27	Teak Nega	1	60	Tembilah	8
28	Perfect Teak	1	61	Upstream	4
29	Kali Bata	1	62	Tempiling	2
30	Kali Wungu	1	63	Thump	1
31	Around the Lake	1	64	waru	1
32	Candlenut	1	65	Yogyakarta	2
33	Kempas	1		Amount	96

Source: Processed Primary Data, 2023

From table 5 it can be seen that the number of respondents is based on the domicile of a small number of sub-districts across Indonesia. With the number of respondents as many as 96 people.

5. Education

Table 6. Overview of Respondents by Education Level

No	Education	Number of Respondents	Percentage
1.	Elementary School Equivalent	2	2.1%
2.	Middle School Equivalent	-	-
3.	Equivalent High School	71	73.9%
4.	D3	2	2.1%
5.	S1	20	20.9%
6.	S2	1	1%
Amount		96	100%

Source: Processed Primary Data, 2023

From table 6 it can be seen that the number of respondents with primary education level was 2 people (2.1%), for junior high school level there were 0 people (0%), for high school level there were 71 people (73.9%), for D3 level there were 2 people (2.1 %), for the undergraduate level there were 20 people (20.9%), for the master's level there were 1 person (1%). From the explanation of the table above, it can be concluded that the highest level of high school education, compared to other levels of education. With the number of respondents as many as 96 people.

6. Ever Invested

Table 7. Overview of Respondents Based on Ever Invested

No	Information	Number of Respondents	Percentage
1	Once	60	62.5%
2	Never	36	37.5%
Amount		96	100%

Source: Processed Primary Data, 2023

From table 7 it can be seen that the number of respondents who have invested is 60 people (62.5%), and the number of respondents who have never invested is 36 people (37.5%). From the table above it can be concluded that there are more respondents who have invested than those who have never invested, with a total of 96 respondents.

7. Investment Period

Table 8. Overview of Respondents by Investment Period

No	Investment Period	Number of Respondents	Percentage
1.	< 1 year	94	97.9%
2.	1 year-2 years	2	2.1%
Amount		96	100%

Source: Processed Primary Data, 2023

From table 8 it can be seen that the number of respondents for an investment period of less than 1 year was 94 people (97.9%), and the number of respondents for an investment period of 1 year -2 years was 2 people (2.1%). From the table above it can be concluded that there are more respondents with an investment period of less than 1 year period investment 1 year-2 years, with a total of 96 respondents.

8. Investment Interest

Table 9. Overview of Respondents Based on Investment Interest

No	Interest	Number of Respondents	Percentage
1	Very interested	18	18.7%
2	Interested	45	46.9%
3	Neutral	23	23.9%
4	Not interested	10	10.5%
5	Very Disinterested	-	-
Amount		96	100%

Source: Processed Primary Data, 2023

From table 9 it can be seen that the number of very interested respondents was 18 people (18.7%), the number of interested respondents was 45 people (46.9%). the number of neutral respondents amounted to 23 people (23.9%). the number of respondents who were not interested was 10 people (10.5%). And the number of respondents who were very disinterested was 0 people (0%). From the table above it can be concluded that respondents are interested in investing more than other interests, with a total of 96 respondents.

a. Description of Respondents' Responses

1) Risk Tolerance

Table 10. Responses of Respondents Variable Risk Tolerance

No	Question	Answer Weight					Amount	Average	Rank
		SS	S	N	TS	STS			
1.	I provide unsecured loans/investments	24	44	23	5	-	375	3.90	2
2.	I use the income for chancy investments	8	22	32	31	3	289	3.01	3
3.	I bought assets for business without consideration	6	23	30	35	2	284	2.95	4
4.	I invest in activities that provide large returns	49	30	14	3	-	413	4.30	1
Amount							1,361	14,16	
ΣAverage/4 statements							340.25	3.54	

Source: Processed Primary Data, 2023

Based on the table above, it can be seen that there are 4 questions from the Risk Tolerance (X) variable. It can be seen from the 4th statement that it has a rank of 1, that is, basically the most respondents who answered this statement strongly agreed as many as 49 people. This means that respondents invest in activities that provide large returns. From the 4th statement it can be known average yield of 4.30. The 2nd rank is found in the 1st statement, that is, 13 respondents answered this statement with a strong agreement. This means that respondents provide unsecured loans/investments. From statement 1 it is known that the average result is 3.41. The 3rd rank is in the 2nd statement, that is, 8 respondents answered the statement strongly agree. This means that the respondent assesses using income for investment that is chancy. From statement 2 it is known that the average result is 3.01.

The 4th rank is in the 3rd statement, that is, 6 respondents answered the statement strongly agree. This means that the respondent bought assets for business without consideration. From statement 3 it is known that the average result is 2.95. From the statement above it can be concluded that of the many respondents who answered strongly agree/agree with the statement above, there were several respondents who answered neutral/disagree because Respondents felt that when they wanted to start investing or when investing in cryptocurrency, the level of risk was as stated in the risk tolerance statement.

2) Investation decision

Table 11. Responses of Respondents to Investment Decision Variables

No	Question	Answer Weight					Amount	Average	Rank
		SS	S	N	TS	STS			
1.	I use the income for risky investments	13	28	41	14	-	328	3,41	1
2.	I invest without consideration	3	12	28	38	15	238	2.48	4
3.	I invest without collateral	12	31	38	14	1	327	3,40	2
4.	I invest based on intuition or feelings	6	15	29	41	5	248	2.75	3
Amount							1,141	12.04	
Σ Average/4 statements							285.25	3.01	

Source: Processed Primary Data, 2023

Based on the table above, it can be seen that there are questions from the Investment Decision variable (Y). It can be seen from the 1st statement that it has a rank of 1, that is, basically 13 respondents answered the statement strongly agreeing. This means that the respondent uses income for risky investments. From the 1st statement it can be known the average yield of 3.41. Then the 2nd rank is found in the 3rd statement, that is, 12 respondents answered the statement strongly agree. This means that the respondent invests without collateral. From statement 3 it is known that the average result is 3.40. The 3rd rank is in the 4th statement, that is, 6 respondents answered the statement strongly agree. This means that the respondent is willing to invest without collateral. From statement 4 it is known that the average result is 2.75.

The 4th rank is in the 2nd statement, that is, 3 respondents answered the statement strongly agree. This means that the respondent considered very agreeable in investing without consideration. From statement 2 it is known that the average result is 2.48. From the statement above it can be concluded that of the many respondents who answered strongly agree/agree with the statement above, there were some respondents who answered neutral/disagree because the respondents felt when they wanted to start investing or when investing in cryptocurrency that in making investment decisions such as contained in the investment decision statement.

b. Data Instrument Test

1) Validity test

Validity Test is a test that functions to determine whether a measuring instrument is valid (valid) or invalid. Measuring tools in question here are the questions in the questionnaire. A questionnaire is said to be valid if the question can reveal something that is measured by the questionnaire. An instrument is said to be valid if it is able to measure what is desired, and can reveal data from the variables studied appropriately.

Table 12. Validity Test Results of Risk Tolerance (X) and Investment Decision (Y)

Variable	Question Items	Questionnaire r Count	Coefficient r Table $\alpha=5\%$	Information
Risk Tolerance (X)	P1	0.738	0.1986	Valid
	P2	0.780	0.1986	Valid
	P3	0.730	0.1986	Valid
	P4	0.716	0.1986	Valid
Investment Decision (Y)	P1	0.674	0.1986	Valid
	P2	0.749	0.1986	Valid
	P3	0.637	0.1986	Valid
	P4	0.735	0.1986	Valid

Source: SPSS Processed Data 25

Based on the table above, all research instruments are declared valid, where it can be seen that the $r_{\text{count}} \geq r_{\text{table}}$, where r_{table} of 96 respondents is 0.1986. Based on the results of the analysis that the correlation value for each item is greater than 0.1986. So it can be concluded that these items are significantly correlated with item scores (declared valid).

2) Reliability Test

Reliability test is an index that shows the extent to which a measuring device can be trusted or relied upon. So that the reliability test can be used to determine the consistency of the measuring instrument, whether the measuring instrument remains consistent if the measurement is repeated. A measuring instrument is said to be reliable if it produces the same results even though measurements have been made many times.

Table 13. Reliability Test Results

No	Variable	Cronbach's Alpha	Information
1.	Risk Tolerance (X)	0.724	Reliable
2.	Investment Decision (Y)	0.653	Reliable

Source: SPSS Processed Data 25

Based on the table above, the reliability test results show that the Cronbach's Alpha value in Risk Tolerance is $0.724 > 0.6$ and the Cronbach's Alpha in Investment Decision is $0.653 > 0.6$. This means that the value passes the reliability requirement of 0.60 so that all the items in the instrument are declared reliable and can be used as a data collection tool.

c. Classic assumption test

1) Normality test

In this study, the normality test was carried out using the Kolmogorov-Smirnov test with a significance level of 0.05 or 5%. The research results are said to be normally distributed or fulfill the normality test if the Asymp.Sig (2-tailed) value of the residual variable is above 0.05 and vice versa if it is below 0.05 the data is not normally distributed or does not meet the normality test. The following are the results of the normality test output that the researchers present in the table below, namely:

Table 14. Results of the Kolmogorov-Smirnov One-Sample Normality Test
One-Sample Kolmogorov-Smirnov Test

	Unstandardized Residuals
N	96

Normal Parameters, b	Means	.0000000
	std. Deviation	2.46871082
Most Extreme Differences	absolute	.085
	Positive	.085
	Negative	-.050
Test Statistics		.085
asymp. Sig. (2-tailed)		.083c

- a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

Source: SPSS Processed Data 25

Based on the results of the Kolmogorov-Smirnov normality test, it can be concluded that Asymp.Sig (2-tailed) for both variables with a significant value of $0.083 > 0.05$ or 0.083 is greater than 0.05 where the residual values are normally distributed.

2) Linearity Test

Table 15 Linearity Test Results
ANOVA Table

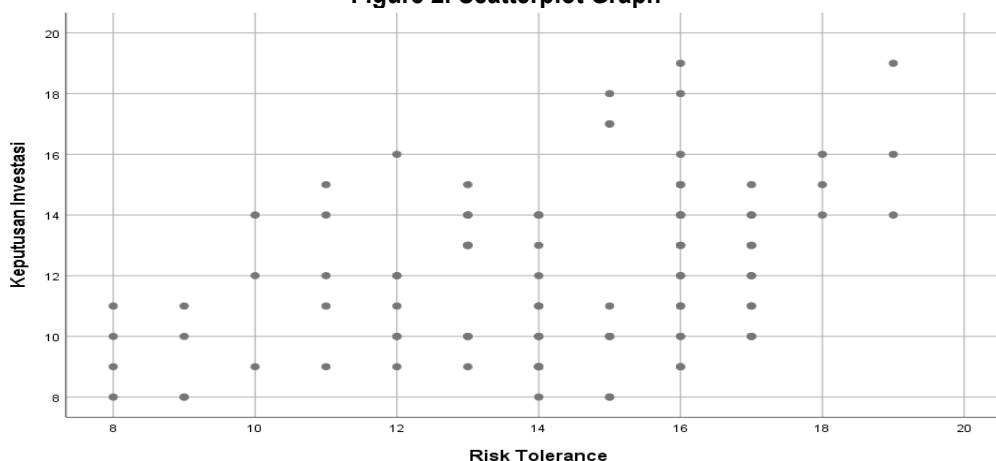
		Sum of Squares	df	Mean Square	F	Sig.
Number of KI	Between Groups (Combined)	182,244	11	16,568	2,781	.004
* Number of households	Linearity	103,759	1	103,759	17,414	.000
	Deviation from Linearity	78,485	10	7,848	1,317	.235
	Within Groups	500,496	84	5,958		
	Total	682,740	95			

Source: SPSS Processed Data 25

Based on the results of the tests that have been carried out, it can be seen in the ANOVA table. It is known that the significant value in the Deviation from linearity column is 0.235 so it can be concluded that between the Risk Tolerance variable (X) and the Investment Decision variable (Y) there is a linear relationship

3) Heteroscedasticity Test

Figure 2. Scatterplot Graph



Source: SPSS Processed Data 25

From the display of the output results of the scatterplot graph above, it can be explained that the plot points are scattered or not stacked, this shows that there is a linear and positive relationship between the risk tolerance variable (X) and investment decisions (Y), in other words, the regression model of this study fulfilled and

this study did not show symptoms of heteroscedasticity. In the classic assumption test there are five tests and in this study only three tests are used, the test that is not used is the autocorrelation test. Period t with glitch bully onperiodt-1 (previous) and multicollinearity tests are used in studies that use more than one independent variable.

d. Simple Linear Regression Analysis

Table 16. Simple Linear Regression Analysis Test Results
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	Q	Sig.
		B	std. Error	Betas		
1	(Constant)	6,586	1,356		4,858	.000
	Risk Tolerance	.386	.094	.390	4.104	.000

a. Dependent Variable: Investment Decision

Source: SPSS Processed Data 25

Based on the data from the test results from the table above, the resulting regression equation is "Y = 6.586 + 0.386".

1. If Risk Tolerance is considered zero or non-existent, the Investment Decision will be constant or remain large at 6,586 units.
2. *Risk Tolerance*(X) has a value of 0.386 indicating that Risk Tolerance (X) has a positive influence on Investment Decisions (Y), meaning that every 1 unit increase in the Risk Tolerance variable will increase the Investment Decision variable by 0.386 units, assuming other variables are constant.

1) Coefficient of Determination

Table 17. Determination Coefficient Test Results (R²)
Summary model b

Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	.390a	.152	.143	2,482

a. Predictors: (Constant), Risk Tolerance

b. Dependent Variable: Investment Decision

Source: SPSS Processed Data 25

Based on the table above, it shows that the value of R square (R²) is 0.152, which means 15.2%. This means that the risk tolerance variable influences investment decisions by 15.2%. And the remaining 84.8% is influenced by other variables that are not included in this research variable.

2) T test

Table 18. T Test Results
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	Q	Sig.
		B	std. Error	Betas		
1	(Constant)	6,586	1,356		4,858	.000
	Risk Tolerance	.386	.094	.390	4.104	.000

a. Dependent Variable: Investment Decision

Source: SPSS Processed Data 25

Markt table= $t(a/2 ; nk) = t(0.025 ; 94) = 1.98525$ Based on the table above, it can be concluded that the results of the research output of the Risk tolerance variable have a t count of 4.104 > t table i.e. 1,98525. With a significant value of 0.000 less than a probability of 0.05, which means that there is a significant influence of the risk tolerance variable on cryptocurrency investment decisions. This can be illustrated in the graph below:

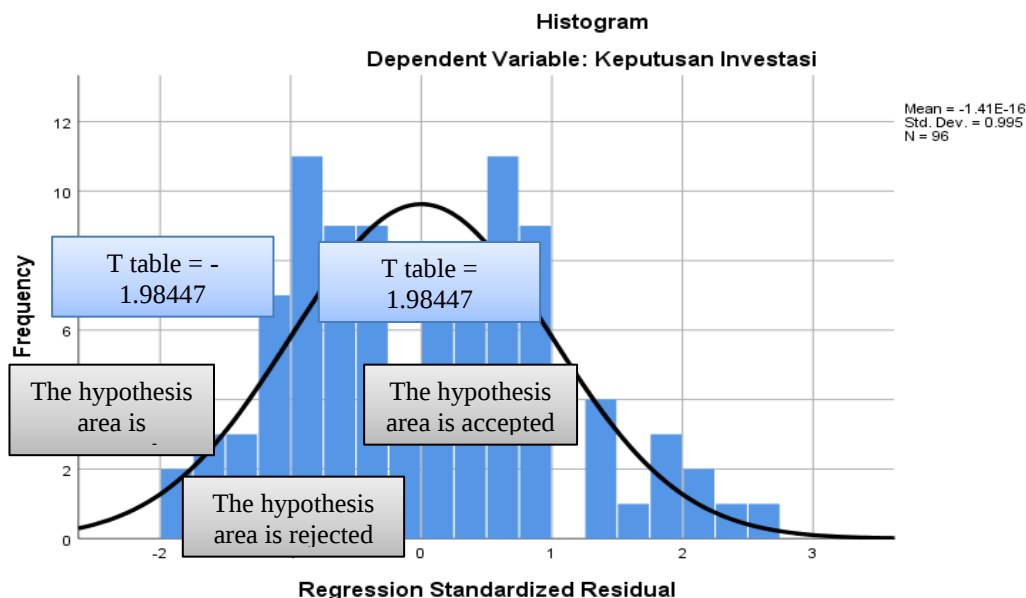


Figure 3. Histogram Graph

Source: SPSS Processed Data 25

Discussion

Based on the formulation of the first problem how to describe risk tolerance and cryptocurrency investment decisions, risk tolerance can be interpreted as a risk limit that can be accepted or tolerated some body when faced with a risky situation. In making investment decisions some body must be careful with the decision because there are risks that must be considered as well (Pujianto and Mahastanti, 2012). Wulandari and Iramani (2014), argue that investment decision making is a policy taken to invest in one or more assets that generate profits in the future.

Based on the formulation of the second problem, it is known whether risk tolerance affects investment decisions in cryptocurrency. It is known that the hypothesis is suspected that risk tolerance (X) has an influence on decisions investment (Y) cryptocurrencies. From the results of the tests that have been carried out with the following results:

1. The results of the validity test are known to be calculated $r \geq r_{table}$, where r_{table} of 96 respondents is 0.1986. Based on the results of the analysis that the value correlation for each item greater than 0.1986. Then all of these items are significantly correlated with item scores (valid).
2. The results of the reliability test showed that Cronbach's Alpha in Risk Tolerance was $0.724 > 0.6$ and Cronbach's Alpha in Investment Decisions was $0.653 > 0.6$. Therefore this value exceeds the reliability requirement of 0.60 so that all the items on the instrument declared reliable.
3. The results of the Kolmogorov-Smirnov normality test can be concluded that Asymp.Sig (2-tailed) for both variables with a significant value of $0.083 > 0.05$ or 0.083 is greater than 0.05 where the residual values are normally distributed.
4. The results of the linearity test on the ANOVA table show that the significant value in the Deviation from linearity column is 0.235 so it can be concluded that between the Risk Tolerance variable (X) and the Investment Decision variable (Y) there is a linear relationship.
5. The results of the heteroscedasticity test with the strat plot showed that there was a linear and positive relationship between the risk tolerance variable (X) and the investment decision (Y).
6. The resulting simple regression test results are " $Y = 6.586 + 0.386X$ ". If Risk Tolerance is considered zero or non-existent, the Investment Decision will be constant or remain large at 6,586 units. Risk Tolerance (X) has a value of 0.386 indicating that Risk Tolerance (X) has a positive influence on Investment Decisions (Y),

meaning that every 1 unit increase in the Risk Tolerance variable will increase the Investment Decision variable by 0.386 units, assuming other variables remain the same. .

7. The test results for the coefficient of determination show that the value of R square (R^2) is 0.152, which means 15.2%. This means that the risk tolerance variable influences investment decisions by 15.2%. And the remaining 84.8% is influenced by other variables that are not included in this research variable.
8. The results of the t test with the research output of the Risk tolerance variable have t count of $4.104 > t_{table}$ i.e. 1,98525. With a significant value of 0.000 less than a probability of 0.05.

The results of the study show that risk tolerance influences investment decisions. These results are in line with the results of research by Wulandari and Iramani, (2014) and results study Yunita, (2020) who said that risk tolerance has a significant effect on investment decisions. Conversely, the results are not in line with Vicky's research, (2021), which concludes that risk tolerance does not affect investment decisions.

5. CONCLUSIONS

Conclusion

Based on the data that has been found in research and after being processed about the effect of risk tolerance on cryptocurrency investment decisions, the following conclusions can be drawn, namely:

1. From the results of research on the effect of risk tolerance on cryptocurrency investment decisions, a simple linear regression equation is obtained, namely $Y = 6.586 + 0.386$
2. Based on the test results the coefficient of determination (R^2) is 0.152 which means 15.2%. This means that the risk tolerance variable influences investment decisions by 15.2%. And the remaining 84.8% is influenced by other variables that are not included in this research variable.
3. Based on the results of the t test, the risk tolerance variable has a t count of $4.104 > t_{table}$, which is 1.98525. With a significant value of 0.000 less than a probability of 0.05, then H_a is accepted and H_o is rejected, which means that there is a significant influence of the Risk Tolerance variable on Cryptocurrency Investment Decisions.

6. Suggestion

Academic Advice

1) For the Development of Science

Based on the results of the research, the researcher provides suggestions that can be used as input for the development of science, namely this research expected can provide additional knowledge about risk tolerance or level of risk for cryptocurrency investment decisions

2) For Further Researchers

For further researchers, they can add independent variables that can influence cryptocurrency investment decisions. Apart from that, it is hoped that it will also increase the focus on several types of cryptocurrencies, and further researchers can examine why respondents have invested more than one year.

3) For Investors

For those who are investors, especially cryptocurrency investment, this can be used as a consideration in making investment decisions *cryptocurrencies*, because the greater the profit, the greater the level of risk that will be faced. Therefore, before deciding to invest, you have to expand your knowledge about what things can make investment decision making rational to maintain rational behavior in investing.

BIBLIOGRAPHY

- [1] Abdul Halim, 2003, Investment Analysis, Jakarta: Salemba Empat
- [2] Addinpujoartanto, NA and S. Darmawan. 2020. Effects of Overconfidence, Regret Aversion, Loss Aversion, and Herding Bias on Investment Decisions in Indonesia. Journal of Economics and Business Research 13(3): 175-187.
- [3] Agus, Sartono. 2011. Financial Management Theory and Applications. Yogyakarta: BPFE.
- [4] Ainia, NSN and L. Lutfi. 2019. The Influence of Risk Perception, Risk Tolerance, Overconfidence, and Loss

- Aversion towards Investment Decision Making. *Journal of Economics, Business & Accountancy Venture* 21(3): 401-413.
- [5] Andina Librianty. (2021). Beware, Crypto Investments Are Not Always Profitable. 2021. <https://www.liputan6.com/business/read/4599254/waspada-investasi-kripto-takselalu-cuan>.
 - [6] Andrianto, Y. 2017. The Effect of Cryptocurrency on Investment Portfolio Effectiveness. *Journal of Finance and Accounting* 5(6): 229-238.
 - [7] Arikunto. 2013. *Research Procedures A Practice Approach*. Jakarta: Rineka Cipta.
 - [8] Ausop, AZ and ESN Aulia. 2018. Bitcoin Cryptocurrency Technology for Investment and Business Transactions According to Islamic Shari'a. *Journal of Sociotechnology* 17(1): 74-92.
 - [9] Ayu Wulandari, D., & Iramani, R. (2014). Experienced Regret Study, Risk Tolerance, Overconfidence and Risk Perception in Making Investment Decisions. *Journal of Business and Banking*, 4(1), 55. <https://doi.org/10.14414/jbb.v4i1.293>
 - [10] Bhintara, IBP (2018). Blockchain Cryptocurrency Technology in the Digital Revolution Era. *National Seminar on Informatics Engineering Education (SENAPATI)*, 9(September), 173-177 Retrieved from <http://eproceeding.umdiksha.ac.id/index.php/senapati/article/view/1204>.
 - [11] Body, et al. (2005). *Investments*. Sixth Edition. Jakarta: Salemba Empat.
 - [12] Budiarto, A., & Susanti. (2017). The effect of financial literacy, overconfidence, regret aversion bias, and risk tolerance on investment decisions (Study on investors at PT. Sucorinvest Central Gani IDX Investment Gallery, State University of Surabaya). *Journal of Management Sciences (JIM)*, 5(2), 1–9
 - [13] Darsono and Tjatjuk, Siswandoko, 2011, *21st Century Human Resource Management*. Nusantara Consulting, Jakarta
 - [14] Dewi, KPPN and Krisnawati, A. (2020). The Effects of Financial Literacy, Risk Tolerance and Overconfidence on Investment Decision Making at a Productive Age in the City of Bandung, *Journal of Management Partners*, Vol 4 No 2 (2020), <https://doi.org/10.52160/ejmm.v4i2.344>
 - [15] Dixon Jr, JHB 2019. Cryptocurrencies: The Next Step in the Noncash Era? *The Judges' Journal* 58: 37.
 - [16] Earth, mega pearls. (2018). The Influence of Financial Literacy and Demographic Factors on Student Investment Decisions.
 - [17] Fauzan Muhammad and N. Sari. 2018. The Effect of Financial Leverage and Operating Profit Margin on Profit Smoothing in Food and Beverage Industry Companies Listed on the IDX in 2012-2016. *Journal of Management Analysis* 4(2), 103-116
 - [18] Fauzan, M., Nazmi, S., Management, PS, & Economics, F. (2022). 1, 2 1,2. 8(1), 81–94.
 - [19] Huda, N. and R. Hambali. 2020. Risks and Profit Rates of Cryptocurrency Investing. *Journal of Management and Business (Performa)* 17(1): 72–84.
 - [20] I Gusti A, & Luh Putu, M.(2021). Yang Factors *Influence Cryptocurrency Investment Decisions on Millennials*. *Journal of Economics and Finance*, <https://doi.org/10.24034/j25485024.y2022.v6.i3.5224>
 - [21] Jogiyanto. *Portfolio Theory and Investment Analysis*. Yogyakarta: BPFE, 2003.
 - [22] Lathifatunnisa, & Nur Wahyuni, A. (2021). The Effect of Demographic Factors, Risk Tolerance and Overconfidence on Student Investment Decision Making in Pekalongan City. *Journal of Applied Business*, 5(2), 203–216. <https://doi.org/10.24123/jbt.v5i2.4688>
 - [23] Martalena and Maya Malinda. 2011. *Introduction to Capital Markets*. First Edition. Yogyakarta: Andi..
 - [24] Mulono Apriyanto et al., "The Role of Farmers Readiness in the Sustainable Palm Oil Industry The Role of Farmers Readiness in t He Sustainable Palm Oil Industry," *Journal of Physics: Conference Serie* 1764, no. 1 (2021): 012211
 - [25] Mulyanto, F. (2015). Utilization of Cryptocurrency as Application of Rupiah Currency in Digital Form Using Bitcoin Technology. *Indonesian journal on Networking and Security*, 4(4).
 - [26] Mustafa. 2017. *Financial Management*. Yogyakarta: CV. Andi Offset
 - [27] News. 2021. "CoFTRA Publishes Crypto Asset Trading Rules, Here Are 5 Main Points", <https://id.investing.com/news/cryptocurrency-news/bappebti-terbitkan-aturan-dagang-aset-kripto-ini-5-poin-utamanya-2056025>, accessed on January 21, 2023 at 15.16.

- [28] Ni Putu PK, & Astrie, K. (2020). The Influence of Financial Literacy, Risk Tolerance and Overconfidence on Investment Decision Making at a Productive Age in the City of Bandung. *Journal of Management Partners (JMM Online)*. Vol. 4 No. 2, 236-250
- [29] Noorsanti, RC, H. Yulianton, and K. Hadiono. 2018. Blockchain - Crypto Currency Technology. *Proceedings of the Multi-Disciplinary National Seminar and Unisbank Call for Papers (SENDI_U)* 3(November): 306-311
- [30] Norma Dwi, Y. (2020). *The Effect of Risk Perception, Risk Tolerance, and Overconfidence on Investment Decision Making*. Surabaya: STIE Perbanas Surabaya
- [31] Novianggie, V. and N. Asandimitra. 2019. The Influence of Behavioral Bias, Cognitive Bias, and Emotional Bias on Investment Decisions for College Students with Financial Literacy as the Moderating Variable. *International Journal of Academic Research in Accounting, Finance and Management Sciences* 9(2): 92–107.
- [32] Nurfadila, B. and TA Rustam. 2020. The Effect of Service Quality and Promotion on Purchasing Decisions at PT. Trans Retail. *Scientific Journal of Cohesion* 4(3): 149-155
- [33] Rejeb, A., K. Rejeb, and JG Keogh. 2021. Cryptocurrencies in Modern Finance: a Literature Review. *Ethics* 20(1): 93- 118.
- [34] Rifa'i, A, Molono, A, Widyawati. 2021. "The Impact of Cryptocurrency on the Community's Economy", *Journal of Scientific Cakrawala* Vol.1, No.4.December 2021.
- [35] Santoso, Singgih. 2010. *Parametric Statistics, Concepts & Applications with SPSS*. First printing, PT Elex Media Komputindo, Jakarta, PT Gramdia, Jakarta
- [36] Saputra, EP (2020). Analysis of Potential and Risk of Cryptocurrency Investment in Indonesia. *Journal of Technology Management*, 19(2), 130-144. <https://doi.org/10.12695/jmt.2020.19.2.2>
- [37] Satoshi Nakamoto, "Bitcoin: A Peer-to-Peer Electronic Cash System".
- [38] Suad Husnan and Enny Pudjiastuti. 2012. *Fundamentals of Financial Management*. Sixth Edition First Printing. Yogyakarta: UPP STIM YPKN.
- [39] Sugiyono. 2011. *Educational Research Methods*. Bandung: ALFABETA
- [40] Sugiyono. 2012. *Understanding Qualitative Research*. London: ALPHABETA.
- [41] _____.2014. *Quantitative, Qualitative, and R&D Educational Research Methods*. Bandung: Alfabet
- [42] Sugiyono. 2017. *Business Research Methods*. Bandung Alfabet.
- [43] _____. 2017. *Quantitative and Qualitative Management Research Methods*. Yogyakarta: Alfabet.
- [44] Sugiyono. 2018. *Quantitative Qualitative Research Methods and R&D*. Bandung: Alfabet.
- [45] Sujarweni, W. 2015. *Business and Economic Research Methods*. Yogyakarta: New Press Library.
- [46] Tandililin, E. 2010. *Portfolio and Investment, First Edition Theory and Application*. Yogyakarta: Kanisius.
- [47] Zakaria, A., & Megawati, L. (2022). The Influence of Experienced Regret, Risk Tolerance, Illusion Of Control And Financial Literacy On Cryptocurrency Investment Decisions (Case Study on the Tokocrypto Exchange). *Wahana Pendidikan Scientific Journal*, 8(17), 12-22. <https://doi.org/10.5281/zenodo.7069456>
- [48] <http://id.scribd.com/doc/151484440/Kategori-Age-According-Depker-RI>
- [49] Shalihan, FN 2022. <https://www.kompas.com/tren/read/2022/02/11/110000665/asix-dilarang-bappebti-ini-register-229-asset-kripto-yang-resmi-terregistered?page=all#:~:text=Register%20229%20asset%20crypto%20permitted,%2C%20Stellar%2C%20Neo%2C%20Nem>, accessed on January 22, 2023 at 10.15.