The Effect of Financial Literacy on Investment Decisions and Financial Behavior among Accounting Students

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ABSTRACT

This study aims to examine the effect of financial literacy on financial behavior and investment decisions among university students, as well as to investigate the role of financial behavior as a mediating variable. The novelty of this study lies in its focus on Accounting students who are employed in Batam City, as they are considered to possess adequate financial literacy through both academic learning and practical experience in managing their personal finances. A total of 96 respondents participated in this quantitative study, with the sample size determined using the Lemeshow formula. Data were analyzed using SmartPLS 3.29. The findings indicate that financial literacy has a positive and significant effect on both financial behavior and investment decisions. However, financial behavior does not mediate the relationship between financial literacy and investment decisions.

Keywords: financial literacy, financial behavior, investment decisions, accounting students

1. Introduction

People today have greater access to a wider range of financial and investment instruments due to the growth of the financial and investment sectors in the digital age. However, an adequate understanding of risk and financial management does not always keep pace with this ease of access. Consequently, sound financial behavior and logical investment decision-making are heavily influenced by financial literacy. To prevent mistakes and achieve financial stability, one must have a strong understanding of financial management (Ibrahim et al., 2023). Any decision regarding the use of money must be carefully considered to achieve the desired results. Financial problems can lead to mistakes in money management (Salma et al., 2023). Poor financial behavior and investment choices are influenced by a lack of financial literacy.

The Indonesian public had a Financial Inclusion Index of 85.10% and a Financial Literacy Index of 49.68% in 2022, according to the results of the National Financial Literacy and Inclusion Survey (SNLIK) conducted by the Financial Services Authority. This gap indicates that there is room for improvement in our knowledge of how to manage financial services and products, even though they are widely used. The financial literacy rate among high school and college students was found to be 56.42%, higher than the national average. However, this figure also indicates that nearly half of high school and college students still lack adequate financial understanding, making the improvement of financial literacy a critical priority.

According to Nababan and Sadalia (2012), those who manage their money responsibly are often more skilled at doing so. Sound financial behavior also helps achieve long-term financial and investment goals. However, Ahmad (2019) found that students' lack of financial literacy and understanding of money management makes them more vulnerable to financial problems. These findings highlight the importance of improving financial literacy to promote better financial practices.

A person's ability to make sound financial decisions and manage their own money wisely is a key component of financial literacy. Investment scams, following trends without careful consideration, and poor investment choices are more common among those with low levels of financial literacy. Conversely, it is possible to make better choices with a comprehensive understanding of investing. Due to individual differences in education, experience, perspectives, and needs, everyone interprets financial data and investment opportunities in their own unique way.

In general, accounting students are more knowledgeable about investing, budgeting, and financial principles. To make better investment choices, individuals with strong financial literacy are often able to evaluate various investment options based on their level of risk, potential returns, and suitability for their own financial circumstances and goals. Students' investment choices improve in tandem with their financial behavior (Landang et al., 2021).

Students with good financial management skills often demonstrate wiser financial behavior, such as knowing when to invest, save, and use financial resources responsibly. A person's habits and actions when managing their own funds are referred to as their financial behavior (Afdhila

& Nugroho, 2023). This suggests that students may accumulate debt if they lack an understanding of financial concepts and fail to practice sound personal money management.

A number of studies have been published on how financial literacy influences investment choices and financial behavior. Adequate financial literacy impacts financial behavior, according to a study by Rohmanto and Susanti (2021) of students at STIE Surakarta. Meanwhile, financial literacy can influence investment choices, according to a study by Sukarno et al. (2023) on 100 millennials in the Special Region of Yogyakarta (DIY).

Financial behavior and investment choices are influenced by financial literacy, according to several studies. Financially literate individuals are often better at managing their money, avoiding debt, weighing the risks and benefits of investments, and making more rational choices. The process of selecting investment options based on risk factors and anticipated returns is known as investment decision-making. Furthermore, financial literacy enhances personal financial security and boosts investment confidence. Consequently, improving financial literacy is increasingly important for enhancing personal financial stability and making.

Financial behavior and investment choices are positively correlated with financial literacy, according to several publications. However, other studies suggest that there is no substantial correlation among these three factors. According to Farida et al. (2021), 112 economics instructors have used digital banking services, including mobile banking. Consequently, the impact of adequate financial literacy on their financial behavior can be disregarded. Meanwhile, research by Reysa et al. (2023) also revealed a negligible correlation between merchants' investment choices and financial literacy. This is because shop owners at Pasar Baru in Bekasi did not receive sufficient guidance to improve their financial literacy.

This study is a replication of Tamara et al. (2022) on the impact of financial literacy on investment choices and financial behavior among 206 Jakarta millennials. The findings of that study indicate that sound financial behavior and financial literacy influence investment choices. The demographic characteristics of accounting students working in Batam served as a distinguishing factor. This group was selected because accounting students possess a strong understanding of financial management, budget planning, investment risk, and financial decision-making due to their education. In addition, accounting students often work for themselves and gain practical experience in financial management, such as investing, saving, and budgeting. Since the city of Batam is an industrial and commercial hub that offers students several employment alternatives, this group was considered suitable for assessing the influence of financial literacy on financial behavior and investment decisions. They are viewed as a relevant group for understanding how financial literacy influences investment decisions and financial behavior because they possess both theoretical knowledge and practical skills in managing their money. Therefore, it is crucial to conduct a study titled "The Influence of Financial Literacy on Investment Decisions and Financial Behavior Among Accounting Students."

2.1 Behavioral Finance Theory

The theory of behavioral finance began to develop around 1965. According to behavioral finance theory, an individual's financial choices are influenced by psychological elements—including emotions, perceptions, and decision-making biases—in addition to knowledge and facts. This theory combines concepts from psychology and economics to understand how individuals manage their finances and make investment decisions under conditions involving risk and uncertainty.

In this study, "financial literacy" is defined as the extent to which an individual understands, values, and can manage their own money in a way that promotes sound decision-making and material security. At the same time, people's routines and activities regarding spending, saving, managing, and making daily judgments about money are known as financial behavior.

Based on Financial Behavior Theory, an individual's knowledge influences their behavior in managing finances. In the context of this study, accounting students are considered to have a superior understanding of risk management, investing, and financial management because they have studied financial material in their coursework. Thus, a higher level of financial literacy is associated with better financial behavior.

Research by Digdowiseiso and Sugiyanto (2023) and Rohmanto and Susanti (2021), which found that financial literacy has a beneficial impact on financial behavior, supports this association. However, Wardani and Fitrayati (2022) and Panggabean et al. (2023) found the opposite—that financial behavior is not influenced by financial literacy.

The relationship under investigation is reflected in the varying results of previous studies. Therefore, the objective of this study is to re-examine the relationship between financial literacy and financial risk among accounting students based in Batam City. This group's academic expertise and practical understanding of managing personal finances make them a significant population. The following research hypotheses are based on these findings:

H1: Financial Literacy Has a Positive Effect on Financial Behavior

According to Prawirasasra and Dialysa (2016), financial behavior theory explains how an individual's beliefs, social norms, and self-control can impact their investment choices. To optimize return on investment, financial literacy is considered to play a crucial role in investment decision-making. Given their ability to analyze financial data more critically, accounting students are particularly important for this study. Investment decisions are made individually through the analysis of financial data, taking into account risk and expected returns. Accounting students with strong financial literacy are often able to assess investment risks and rewards logically and minimize the impact of their emotions when making investment decisions.

According to studies by Safryani et al. (2020), Gustika and Yaspita (2021), and Sukarno et al. (2023), financial literacy influences investment choices among both students and millennials. Reysa et al. (2023) found that financial literacy has a minor impact on the investment choices made by vendors at Pasar Baru in Bekasi. The evolution of these findings suggests that, in the case of accounting students, efforts to improve financial literacy related to investment choices still need to be strengthened. The following research hypotheses are based on these findings:

H2: Financial Literacy Has a Positive Effect on Investment Decisions

According to financial behavior theory, financial behavior reflects how individuals manage their income, control their spending, create budgets, save, and allocate funds for investment. Individuals with sound financial behavior tend to be better able to make rational investment decisions because they are accustomed to considering their financial condition, risks, and investment objectives before making a decision.

In the context of this study, accounting students with sound financial behavior are expected to manage their personal finances more responsibly, thereby being better prepared to make investment decisions. Positive financial behavior—such as discipline in budgeting, controlling expenditures, and setting aside funds for investment—is expected to improve the quality of the investment decisions made.

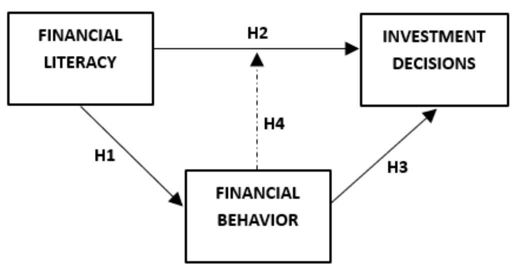
Several previous studies have also shown a relationship between financial behavior and investment decisions. The study by Landang et al. (2021) states that financial behavior has a positive effect on students' investment decisions. Individuals with good financial behavior tend to be better able to weigh the benefits and risks of investments, resulting in more rational investment decisions. Based on this discussion, the following hypotheses are formulated.

H3: Financial Behavior Has a Positive Effect on Investment Decisions.

Behavioral finance theory states that an individual's financial habits and level of financial literacy influence their investment choices. According to research, financial behavior serves as the link between an individual's level of financial literacy and their investment choices, and is defined as their habits and practices regarding money management. Financially literate accounting students tend to make more appropriate investment choices because they have a strong understanding of concepts such as risk and financial management. Having a good understanding of personal finance can also inspire positive behaviors such as saving regularly, reducing unnecessary expenses, and planning for the future through investments. Students in accounting programs who demonstrate responsible financial habits will be better prepared to manage their own funds and make investment decisions that are analytically sound, rather than relying on gut feelings or other subjective considerations.

These results are consistent with the findings of several academic studies. One such study is the research on Jakarta's millennial population by Tamara et al. (2022), which revealed that the majority of participants had set financial goals that allowed them to set aside money for investment. Audini et al. (2020) and Saputra et al. (2023), who focused on college students, also found similar results. It can be concluded from these two studies that respondents who chose to invest demonstrated responsible financial behavior and strong financial knowledge. These results support the idea that investment choices and financial literacy may be interrelated. The following research hypothesis is based on these findings:

H4: Financial Literacy Has a Positive Effect on Investment Decisions Through Financial Behavior as a Mediating Factor



Picture 1. Research Framework

3. Research Method

This study employed a quantitative correlation technique. A 5-point Likert-scale questionnaire was distributed to accounting students in Batam City via Google Forms to collect primary data. Purposive sampling was used as the sampling strategy, and 96 respondents were obtained by applying Lemeshow's formula to calculate the sample size. Only 96 of the 114 respondents collected met the study's criteria. SmartPLS 3.29 was then used to analyze the data.

Chen and Volpe (1998) were cited in the measurement of financial literacy factors, which include a basic understanding of credit, insurance, investments, savings, and financial management. According to Nababan and Sadalia (2012), financial behavior factors include prompt debt repayment, investing, budgeting, saving, and expenditure control. According to Tandelilin (2010), investment choice factors include the expected rate of return, the level of risk, and the correlation between return and risk.

4. Results and Disscussion

4.1 Outer Model (Measurement Model)

Convergent validity, discriminant validity, and construct reliability (composite reliability) were tested to evaluate the measurement model. SmartPLS 3.29 software was used for all tests. The following presents the results of the outer model testing:

Table 1. Outer Model Results

VARIABLES	CODE	LOADING FACTOR	DESC	AVE	DESC	COMPOSITE RELIABILITY	DESC	CRONBACH'S ALPHA	DESC
Financial Literacy	X1	0.773	Valid	0.583	Valid	0.975	Reliabel	0.973	Reliabel
	X2	0.713	Valid						
	X3	0.768	Valid						
	X4	0.801	Valid						
	X5	0.711	Valid						
	X6	0.781	Valid						
	X7	0.794	Valid						
	X8	0.782	Valid						
	X9	0.711	Valid						
	X10	0.708	Valid						
	X11	0.769	Valid						
	X12	0.764	Valid						
	X13	0.742	Valid						
	X14	0.798	Valid						
	X15	0.800	Valid						
	X16	0.790	Valid						
	X17	0.804	Valid						
	X18	0.708	Valid						
	X19	0.758	Valid						
	X20	0.800	Valid						
	X21	0.761	Valid						
	X22	0.775	Valid						
	X23	0.763	Valid						
	X24	0.778	Valid						

VARIABLES	CODE	LOADING FACTOR	DESC	AVE	DESC	COMPOSITE RELIABILITY	DESC	CRONBACH'S ALPHA	DESC
	X25	0.749	Valid						
	X26	0.730	Valid						
	X27	0.757	Valid						
	X28	0.783	Valid						
Financial Behavior	Z1	0.808	Valid	0.685	Valid	0.956	Reliabel	0.949	Reliabel
	Z2	0.853	Valid						
	Z3	0.807	Valid						
	Z4	0.883	Valid						
	Z5	0.769	Valid						
	Z6	0.843	Valid						
	Z7	0.836	Valid						
	Z8	0.797	Valid						
	Z9	0.843	Valid						
	Z10	0.830	Valid						
Investment Decision	Y1	0.844	Valid	0.711	Valid	0.970	Reliabel	0.966	Reliabel
	Y2	0.861	Valid						
	Y3	0.850	Valid						
	Y4	0.845	Valid						
	Y5	0.855	Valid						
	Y6	0.853	Valid						
	Y7	0.823	Valid						
	Y8	0.853	Valid						
	Y9	0.831	Valid						
	Y10	0.875	Valid						
	Y11	0.842	Valid						
	Y12	0.797	Valid						
	Y13	0.826	Valid						

Source: Data processed in 2025

Ghozali and Latan (2015) state that convergent validity is met when the factor loadings are greater than 0.60 and the Average Variance Extracted (AVE) is greater than 0.50. According to the test results, all indicators related to financial behavior, investment decisions and financial literacy factors had factor loadings above 0.60 and AVE values above 0.50, indicating their validity. Additionally, instrument reliability was evaluated using Cronbach's Alpha and composite reliability, with a criterion of a value > 0.70. The test was deemed reliable because all variables had Composite Reliability and Cronbach's Alpha values above 0.70. Consequently, each indicator met the validity and reliability requirements, making the study model suitable for further testing. Considering these factors, it is possible to use this study model for further testing.

Table 2. Discriminant Validity Results

Variable	Investment Decision	Financial Literacy	Financial Behavior
Investment Decisions	0.843		
Financial Literacy	0.616	0.764	
Financial Behavior	0.208	0.245	0.828

The Fornell-Larcker criterion was used to compare the square root of each construct's AVE with the correlation between other constructs to verify discriminant validity. Ghozali and Latan (2015) state that if the square root of the AVE is greater than the correlation between constructs, then a construct is said to have discriminant validity. The test results show that investment choices (0.843), financial literacy (0.764), and financial behavior (0.828) are more strongly correlated with AVE than other characteristics. Therefore, the criteria for discriminant validity are met by all constructs presented in this study.

4.2 Outer Model (Measurement Model)

To confirm the relationships among the study's latent variables, this step involves testing the inner model. Using SmartPLS 3.29 software, the inner model was tested using the R-Square (R^2), f-square (f^2), and hypothesis testing based on t-values and p-values. The following table presents the results of the inner model test:

Table 3. Coefficient of Determination (R^2)

	R-Square	Adjusted R-Square
Investment Decision	0.383	0.370
Financial Behavior	0.060	0.050

Ghozali and Latan (2015) state that the R-Square (R^2) value, which is divided into three categories—weak (0.25), moderate (0.50), and strong (0.75)—indicates how well exogenous factors can explain endogenous variables. The test results show that investment choice has an R^2 value of 0.383, indicating a moderate level of predictive power. This suggests that the variables in the model account for 38.3% of the variability in investment choice, with additional factors outside the study model influencing the remaining 61.7%.

In addition, the effect size (f-square) test quantifies the influence of each exogenous variable on the endogenous variable. According to Hair et al. (2017), an f-square value of 0.02 indicates a small effect, 0.15 a moderate effect, and 0.35 a large effect.

Table 4. Effect Size (F-Square) Test Results

Variable Relationships	**f-Square (f^2)**	**Description**
Financial Literacy Influences Financial Behavior	0.064	Small
Financial Literacy Influences Investment Decisions	0.550	Large
Financial Behavior Influences Investment Decisions	0.006	Very small

The table above shows that the simple group includes the effect of financial literacy on financial behavior (f-square = 0.064). This provides further evidence that financial knowledge does indeed influence financial behavior. Not only that, but the significant group also includes an f-square value of 0.550 for the effect of financial literacy on investment decisions. It appears that students' financial literacy plays a significant role in shaping their investment decisions. The effect of financial behavior on investment decisions, on the other hand, is either nonexistent or has a minimal f-square value of 0.006. This indicates that financial behavior has a minor influence on investment decisions.

Table 5. Hypothesis Test Results

	T Statistics (|O/STDEV|)	**P Values**	**Desc**
FINANCIAL LITERACY HAS A POSITIVE EFFECT ON FINANCIAL BEHAVIOR	2.249	0.025	Accepted
FINANCIAL LITERACY HAS A POSITIVE EFFECT ON INVESTMENT DECISIONS	8.921	0.000	Accepted
FINANCIAL BEHAVIOR DOES NOT HAVE A POSITIVE EFFECT ON INVESTMENT DECISIONS	0,599	0,550	Rejected
FINANCIAL LITERACY DOES NOT HAVE A POSITIVE EFFECT ON INVESTMENT DECISIONS THROUGH FINANCIAL BEHAVIOR	0.524	0.601	Rejected

By identifying highly significant correlations, structural equation modeling was used to evaluate the hypotheses. The t-statistic was used to test the hypotheses; if $t > 1.96$ (t-table), the hypothesis is considered accepted or supported (Ghozali & Latan, 2015).

H1: Financial Literacy Has a Positive Effect on Financial Behavior

A t-statistic value of 2.249 and a p-value of 0.025 support the idea that the financial behavior of accounting students is positively and significantly influenced by financial literacy. The findings of this study are conceptually consistent with the theory of financial behavior, which describes how people's understanding of financial concepts and tools influences how they act and behave when making financial choices. Individuals with sufficient financial literacy are often able to create a planned budget, set aside money for savings and necessities, and manage their spending to avoid excessive consumption. Therefore, a key factor in shaping sensible and responsible financial behavior is financial literacy.

In the context of daily financial behavior, accounting students' understanding of accounting, financial management, and budget planning is crucial. Students who grasp financial fundamentals not only become better money managers but also exercise greater caution when making financial decisions, including long-term financial planning and consumer purchases. This demonstrates that students can derive benefit from financial knowledge outside the classroom.

Previous research has shown that financial literacy improves students' financial behavior; the findings of this study support those of Digdowiseiso & Sugiyanto (2023) and Rohmanto & Susanti (2021). The consistency of these results provides empirical support for the theory that improving financial literacy levels is key to motivating better financial behavior. Therefore, efforts to improve students' financial literacy must remain a long-term strategy for fostering financially responsible citizens.

H2: Financial Literacy Has a Positive Effect on Investment Decisions

With a t-statistic of 8.921 and a p-value of 0.000, these findings indicate that financial literacy has a beneficial and substantial impact on students' investment choices, supporting Hypothesis H2. Based on Behavioral Finance Theory, individuals with good financial literacy are better able to understand various investment instruments, assess risk levels, estimate potential returns, and consider various pieces of information before making investment decisions. Theoretically, financial literacy is crucial in helping people understand several aspects of investing, including risk tolerance, potential returns, and sound money management techniques. This knowledge enables people to evaluate investment options logically and impartially, preventing judgments from being based solely on market trends, social factors, or emotional impulses. According to Prawirasasra & Dialysa (2016), those with adequate financial literacy often make more careful and prudent investment decisions.

When it comes to evaluating different investment options, accounting students who have mastered financial principles through their education have a significant advantage. Students with high financial literacy often demonstrate greater self-control, are able to weigh the pros and cons of investments, and are more selective about the types of investments that best align with their financial goals and circumstances. This implies that financial literacy improves the quality of investment choices made and the willingness to invest.

The findings of previous studies by Safryani et al. (2020), Gustika & Yaspita (2021), and Sukarno et al. (2023)—which showed that financial literacy has a positive impact on the investment choices of students and millennials—are consistent with and supported by the results of this study. The consistency of these findings demonstrates the importance of financial literacy in promoting more rational and sustainable investment practices among young people.

H3: Financial Behavior Has a Positive Effect on Investment Decisions

The results of the third hypothesis test indicate that financial behavior does not have a significant effect on the investment decisions of accounting students. This is evidenced by a t-statistic value of 0.599, which is smaller than the critical value of 1.96, and a p-value of 0.550, which is greater than the significance level of 0.05; therefore, the third hypothesis (H3) is rejected. These results indicate that the financial behavior exhibited by students has not yet been able to significantly influence investment decisions.

According to Behavioral Finance Theory, financial behavior is the application of financial knowledge in daily activities, such as budgeting, controlling expenses, saving, and managing finances responsibly. Theoretically, individuals with good financial behavior are expected to make more rational investment decisions because they are accustomed to managing financial resources effectively. However, the results of this study show that financial behavior has not yet been able to directly influence the investment decisions of accounting students.

This finding suggests that even though the respondents exhibit fairly good financial behavior, the investment decisions they make are likely still influenced by factors other than financial behavior. These factors may include income level, investment experience, risk tolerance, investment motivation, developments in financial technology, or the influence of the social environment. Therefore, financial behavior has not yet become the primary factor determining investment decisions among accounting students in Batam City.

These findings align with the study by Reysa et al. (2023), which showed that financial behavior does not always have a significant influence on investment decisions. The differences in results compared to other studies suggest that the relationship between financial behavior and investment decisions may be influenced by respondent characteristics, environmental conditions, or other variables not included in this study's model.

H4: Financial Literacy Has a Positive Effect on Investment Decisions Through Financial Behavior as a Mediating Factor

The study's findings indicate that financial behavior has a minor impact on investment choices. The T-statistic value of 0.524, which falls below the critical threshold, and the p-value of 0.601, which is greater than the significance threshold of 0.05, lead to the rejection of the third hypothesis (H4). This finding implies that financial behavior does not act as a mediator in the relationship between financial literacy and students' investment decisions.

According to Behavioral Finance Theory, individuals with high levels of financial literacy should be able to apply that knowledge to sound financial behavior, such as budgeting, controlling spending, saving regularly, and financial planning. Theoretically, by promoting healthy financial behavior, financial literacy should have an indirect impact on investment choices. To encourage more rational and appropriate investment decision-making, people with high levels of financial literacy are generally considered to be able to manage their finances more skillfully, including budgeting, saving, and controlling spending (Tamara et al., 2022). However, the research findings indicate that this theoretical link has not yet been fully validated in the subject of this study.

The lack of a significant mediating effect of behavioral finance suggests that, although students' financial knowledge is sufficient, their daily financial behavior is not yet directly reflected in their investment choices. Students' investment choices remain influenced by a number of other variables, which makes this scenario plausible. Consequently, when making investment decisions, sound financial behavior has not yet become a significant factor.

Furthermore, the poor mediating role of these factors may be due to students' financial behavior not yet reaching its full potential. This suggests that students' financial behavior is insufficient to mitigate the impact of financial literacy on investment choices. Therefore, without experience, motivation, and other supporting elements, improving financial literacy alone will not always lead to better investment choices.

These findings are consistent with those of Wardani & Fitrayati (2022) and Panggabean et al. (2023), who found no significant effect of financial literacy on financial behavior. Furthermore, a study by Reysa et al. (2023) showed that financial literacy had a minor impact on the investment decisions of traders at Pasar Baru in Bekasi City.

5. Conclusion

Based on Behavioral Finance Theory, financial literacy and financial behavior are factors that can influence an individual's financial management and investment decisions. Accounting students, as individuals who receive education related to finance and investment, are expected to be able to apply this knowledge in their daily financial management and in making rational investment decisions.

The research results show that of the four hypotheses proposed, two were accepted and two were rejected. Financial literacy was found to have a positive and significant effect on financial behavior (H1 accepted) and a positive and significant effect on investment decisions (H2 accepted). Meanwhile, financial behavior did not have a significant effect on investment decisions (H3 rejected) because it had a T-statistic of 0.599 (< 1.96) and a P-value of 0.550 (> 0.05). Furthermore, financial behavior also failed to mediate the effect of financial literacy on investment decisions (H4 rejected) because it had a T-statistic of 0.524 (< 1.96) and a P-value of 0.601 (> 0.05).

These findings indicate that financial literacy is a factor that directly influences the financial behavior and investment decisions of accounting students working in Batam City. Conversely, financial behavior has not been found to be a factor influencing investment decisions or to serve as a mediating variable in the relationship between financial literacy and investment decisions. Thus, improving financial literacy is a more dominant factor in encouraging students to make rational and responsible investment decisions.

5.1 Research Implications

The results of this study provide theoretical implications that Behavioral Finance Theory can explain the relationship between financial literacy, financial behavior, and investment decisions. The higher a person's level of financial literacy, the better their financial behavior and the more rational their investment decisions. However, this theory does not fully explain the role of financial behavior as a mediating variable because, in this study, financial behavior was not found to significantly influence investment decisions.

Practically, the results of this study indicate that universities need to enhance financial literacy education programs that focus not only on conceptual understanding but also on the practical application of financial management and investment through training, seminars, investment simulations, and other educational activities. These efforts are expected to improve the quality of students' investment decisions, making them more rational and responsible in managing their finances.

5.2 Study Limitations

This study has several limitations. First, the study's respondents were drawn exclusively from accounting students working in Batam City; therefore, the findings cannot yet be generalized to students in other regions. Second, the data were collected via a questionnaire, so respondents' answers were highly dependent on their individual perceptions and may introduce bias. Third, this study used the Lemeshow formula to determine the sample size because the researcher assumed that the study population had specific criteria—namely, accounting students at all universities in Batam City who have completed at least their sixth semester and are currently employed—making the exact population size difficult to determine. However, upon further evaluation, it was found that the population meeting these criteria could in fact be identified using data from each university; therefore, the use of the Slovin formula was deemed more appropriate for determining a more representative sample size. Fourth, this study relied solely on financial literacy and financial behavior variables to explain investment decisions; consequently, other factors outside the research model may still influence students' investment decisions.

5.3 Recommendations

Given these limitations, future research is advised to expand the scope of respondents by involving students from various universities and different regions so that the research results have a higher level of generalizability. Additionally, future research could include other variables that may influence investment decisions, such as investment motivation, risk tolerance, financial technology (fintech), income, investment experience, and the influence of the social environment.

It is also recommended that future research employ a more diverse range of data collection methods, such as interviews or mixed methods, to gain a more comprehensive understanding of the factors influencing students' investment decisions.

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