

**THE INFLUENCE OF RISK PERCEPTION, RISK TOLERANCE,  
FINANCIAL LITERACY, AND LOSS AVERSION ON MSME INVESTMENT  
DECISIONS**

**(An Empirical Study in Yogyakarta and Palembang)**

**PENGARUH PERSEPSI RISIKO, TOLERANSI RISIKO, LITERASI  
KEUANGAN, DAN PENGHINDARAN KERUGIAN TERHADAP  
KEPUTUSAN INVESTASI UMKM**

**(Studi Empiris di Yogyakarta dan Palembang)**



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2024**

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**UNDERGRADUATE THESIS**

Submitted to Fulfill the Requirements to Get a bachelor's degree at the Faculty of  
Economics, Accounting Department, Universitas Muhammadiyah Yogyakarta



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## DECLARATION

Name : Nabila Safitri  
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I hereby declare that this thesis entitled: "**THE INFLUENCE OF RISK PERCEPTION, RISK TOLERANCE, FINANCIAL LITERACY, AND LOSS AVERSION ON MSME INVESTMENT DECISIONS (An Empirical Study In Yogyakarta and Palembang)**" does not contain any work submitted to obtain a bachelor's degree at a university, and to my knowledge there are also no works or opinions that have been written or published by other people, except for those that are referred to in the manuscript and written in bibliography. If any violation of intellectual rights is later found in this manuscript, I agree to accept any relevant academic consequences.

Yogyakarta, 25 Juli 2024



Nabila Safitri

## **MOTTO**

“Do not be afflicted or weary, for you are the most elevated, provided that you have faith” – QS. Ali Imran: 139

“Don't live up to other people's expectations and don't mind the stares. Be confident in yourself” – Kwon Soonyoung

“Everyone has a reason when they are struggling. Not everyone knows each other's struggles, but you can always be there for that person and breathe fresh air together with them.” – Choi Seungcheol

## DEDICATION

I would like to dedicate this thesis to all of those who have provided me with unwavering support, encouragement, and guidance in the completion of this work:

1. Allah SWT for His unceasing love and grace and the strength and direction He has given me over this road.
2. My Beloved Parents, who offer prayers, constant love, and support without stopping. I could never get to this stage without them. Thank you for allowing me to achieve everything I want. Without your blessings, I could not have reached this stage.
3. My beloved siblings: thank you for every support that encouraged and motivated me and was always there when I was down.
4. Best friends: Fardip, Ita, Amel, Difa, Sarwah, Andien, and Obel, who are always there in times of joy and sadness, sharing tears and laughter and providing encouragement and inspiration. Thank you for being my friend who is always by my side. Hopefully, we can be friends for the next 5, 10, 20, or even 50 years.
5. Me, Nabila: You've been strong up to this point. Don't give up, because the real journey is just beginning.
6. Seventeen: I want to express my gratitude for how the content you share brings joy, inspiration, and motivation. I'm impressed by how hard you've worked to get where you are in your job, from your rough start to becoming a famous boy band all over the world. The joy and inspiration you bring me are priceless, and I know how much you love carats. Thank you for all the hard work and great work you always do, and for always trying to keep your fans happy. Let's stay together until the last "Say the name, Seventeen".

## **PREFACE**

I am deeply grateful to Allah SWT for His mercy and grace, which have enabled me to successfully complete my thesis, "The Influence of Risk Perception, Risk Tolerance, Financial Literacy, and Loss Aversion on MSMEs Investment Decisions (An Empirical Study in Yogyakarta and Palembang)." The purpose of this thesis was to fulfill a requirement for the bachelor's degree program at the Muhammadiyah University of Yogyakarta, where the major was Accounting in the Faculty of Economics and Business. Prayers and greetings to our Prophet Muhammad SAW who has guided us from the era of ignorance to this era of enlightenment.

I acknowledge that this thesis is far from perfect. It is our hope that this thesis will be beneficial to both the advancement of science and its consumers. Help, guidance, and support have been provided by a variety of individuals during the preparation of this thesis. Therefore, I would like to acknowledge my gratitude with the utmost humility to:

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