TABLE OF CONTENTS

COVER……**i**
BACHELOR THESIS APPROVAL ..... **ii**
THESIS COMPLETION APPROVAL ..... **ii**
STATEMENT OF ORIGINALITY ..... **iv**
ABSTRACT ..... **v**
ABSTRAK ..... **vi**
ACKNOWLEDGEMENT ..... **vii**
TABLE OF CONTENTS ..... **ix**
TABLE LIST ..... **xii**
FIGURE LIST ..... **xiv**
Chapter I INTRODUCTION **1**
1.1 Research Background 1
1.2 Problem Statement 10
1.3 The Objective of the Study 12
1.4 Significance of the Study 12
1.4.1 Theoretical Benefits 12
1.4.2 Practical Benefits 12
1.5 Writing Structures and Systems 13
Chapter II LITERATURE REVIEW **14**
2.1 Overconfidence 15
2.2 Financial Literacy 16
2.3 Risk Perception 16
2.4 Investment Decision 17
2.5 Relationship Between Variables and Hypothesis Formulation 18
2.5.1 Overconfidence s on Investment Decision 18
2.5.2 Financial Literacy on Investment Decision 19
2.5.3 Risk Perception on Investment Decision 20
2.5.4 Overconfidence on Risk Perception 21
2.5.5 Financial Literacy on Risk Perception 21

2.6 Research Hyphotesis 22
2.7 Previous Studies 22
2.8 Research Framework 24
Chapter III RESEARCH METHODOLOGY 26
3.1 Research Design and Approach.....26
3.1.1 Research Variables and Operational Definition of Variables.....27
3.2 Population & Sample.....28
3.2.1 Population.....28
3.2.2 Sample 29
3.3 Types and Source of Data.....30
3.3.1 Primary Data.....30
3.3.2 Secondary Data.....30
3.4 Data Collection Method 30
3.4.1 Questionnaire.....30
3.4.2 Literature Study 32
3.5 Data Analysis Method 32
3.5.1 Structural Equation Modelling with Partial Least Square (SEM-PLS) .33
3.6 Validity and Reliability Test of Research Instruments.....37
3.6.1 Validity Test 37
3.6.2 Reliability Test 38
3.6.3 Pre-Test Validity and Reliability Test Results 39
Chapter IV RESEARCH FINDINGS AND DISCUSSION 44
4.1 General Description of Research Object 44
4.2 General Descriptions of Respondents.....45
4.2.1 Respondents Based on Gender Classification 45
4.2.2 Respondents Based on Occupation.....45
4.2.3 Respondent Based on Monthly income 46
4.3 Partial Least Square Structural Equation Modelling (PLS-SEM) Analysis.46
4.3.1 Descriptive Analysis.....47
4.3.2 Measurement Model (Outer Model).....49
4.4 Convergent Validity 49

4.4.1 Loading Factor or Outer Loading 50
4.4.2 Average Variance Extracted (AVE) 52
4.5 Discriminant Validity 52
4.5.1 Cross Loading 53
4.5.2 Fornell Larcker Discriminant Validity 54
4.6 Reliability Analysis 55
4.6.1 Cronbach's Alpha 56
4.7 The Evaluation of Structural Model or Inner Model Test 56
4.7.1 R-Square (R^2) 56
4.7.2 Path Modelling Result 57
4.8 Hypothesis Test 58
4.8.1 Direct Effect Hypothesis Test 58
4.8.2 Indirect Effect Hypothesis Test 60
4.8.3 Variance Accounted For (VAF) Approach 62
Chapter V CONCLUSION 64
5.1 Summary of Research Conclusion 64
5.2 Hypothesis Test Conclusion 65
5.3 Theoretical Implications 67
5.4 Managerial Implications 68
5.5 Research Limitations 69
5.6 Future Studies 69
REFERENCES 71
APPENDIX 77
APPENDIX A 77
RESEARCH QUESTIONNAIRES IN BAHASA 77
APPENDIX B 81
DATA COLLECTED 81
APPENDIX C 83
SMART PLS ANALYSIS 83