FACTORS AFFECTING UNDERGRADUATES' INTENTION TO TRADE ON THE CRYPTO MARKET: REFERENCE TO UNDERGRADUATES IN RAJARATA UNIVERSITY OF SRI LANKA

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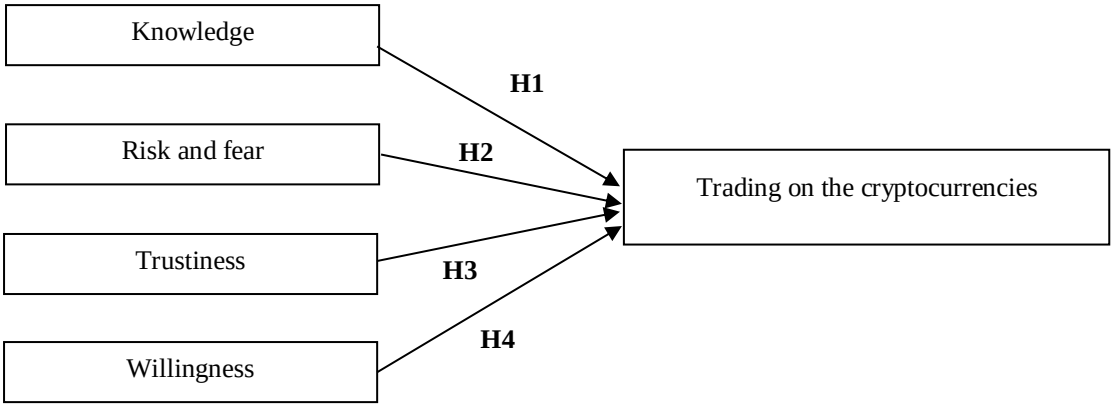
INTRODUCTION

Cryptocurrency is a peer-to-peer digital exchange system that uses cryptography to generate and distribute money. Depending on the specific needs, cryptocurrencies use several mining technologies. For example, some cryptocurrencies focus on limiting the number of valid transactions per time, while others emphasize providing fast, lightweight service (Chathurika, 2021). Almost all economically developed countries use this cryptocurrency to carry out their daily activities. Some people do not buy this cryptocurrency but use it for trading purposes and earn much money from it (Bianchi, 2022).

Even developing countries such as Sri Lanka can earn money using this cryptocurrency for trading. The world is more familiar with cryptocurrency than in previous years when it comes to 2021. Cryptocurrencies employ decentralized control instead of centralized digital currency and central banking institutions. Each cryptocurrency is controlled independently thanks to distributed ledger technology, most commonly a blockchain, which acts as a database for openly accessible financial transactions (Dewani et al., 2020). The discovery of Bitcoin in 2008 by Satoshi Nakamoto (Adam & Dzang Alhassan, 2020) led to the creation of new altcoins. The price of Bitcoin surged to US$ 4,780.15 on September 2, 2017 (Lee et al., 2018). Today, the Bitcoin price is going higher to higher. It is now shown as US$ 22,743.75, and Ethereum is now as US$ 1577.76. These values are changed regularly to the buying and selling rate (Sam Reynolds, 2022). On March 17, 2010, the first Bitcoin transaction began on BitcoinMarket.com, the first Bitcoin exchange marketplace (Meero et al., 2021). Trust in cryptocurrency can be explained similarly to trust in other currencies. Thus, why do people trust any currency? The answer is straightforward because they believe that this money can be used in exchange for goods, services, and investments. As a result, trust in cryptocurrencies is a significant factor influencing the acceptance of these currencies as international currencies (Dewani et al., 2020). Cultural fear and lack of factual knowledge may be the reason for low social preparedness in Sri Lanka's cryptocurrency industry (Chandrasekara, 2022). However, this study aims to understand precisely why this lack of social readiness in Sri Lanka regarding cryptocurrencies is. Consequently, the problem statement can be highlighted to look at the impact of knowledge, risk and fear, trust (trustiness), and willingness to trade on the crypto market in the Rajarata University of Sri Lanka.

METHODOLOGY

Figure 1
Conceptual Framework



The nature of the study is quantitative, and the research approach of this study is deductive. In this research, the researcher used primary data for the data collection method, a multistage random sampling method. That means the researcher first used stratified sampling for creating the starts by considering the education stream. The researcher used the random sampling method to get the sample size from equal proportions of each department. The population of this research is undergraduates in Rajarata University of Sri Lanka, which is 8330, obtained from the university's statistics department. The sample size of this study is 370, according to the morgen table. The researcher used regression analysis, descriptive statistics, and reliability analysis as the data analysis method. Then, based on the research findings, the researcher examined the following hypotheses related to the model shown above.

H_1: There is a significant positive impact of knowledge on the trading of cryptocurrencies among undergraduates at the Rajarata University of Sri Lanka.

H_2: There is a significant negative impact of the risk and fear on the trading of cryptocurrencies among undergraduates at the Rajarata University of Sri Lanka.

H_3: There is a significant positive impact of the trustiness of trading on cryptocurrencies among undergraduates at the Rajarata University of Sri Lanka.

H_4: There is a significant positive impact of willingness to trade cryptocurrencies among undergraduates at the Rajarata University of Sri Lanka.

The data collection used a web-based questionnaire, and the information received by the above questionnaire is numerically converted and sent to the SPSS to analyze the information. The effect of the dependent and independent variables and what has happened to their level is analyzed.

RESULTS AND DISCUSSION

The correlation test of the independent variables and the cryptocurrency trading is as follows.

Table 1

Correlation with Trading on Cryptocurrency

	Pearson Correlation
Knowledge	0.361**
Risk and fear	-0.228*
Trustiness	0.381
Willingness	0.459**

** p<0.01 *p<0.05

The relationship between these variables is statistically significant because the correlation is significant. A statement can be confirmed if the significance value of the respective variable is less than 0.05. Similarly, the section called correlation in this table shows whether there is a positive or negative relationship between the two variables.

The significant value shown in the coefficients table should be less than 0.05 for the acceptance of the variable. The table's beta value describes the impact type within the independent and dependent variables. The test of regression of the independent variables and the cryptocurrency trading is as follows, and the regression analysis shows the acceptance of each hypothesis in the model.

Table 2

Model Summary

Model	R	R Square	Adjusted R Square	Std. error
1	0.649[a]	0.421	0.415	0.237

a. Predictors: (Constant), Willingness, Risk and fear, Knowledge, Trustiness

Table 3

ANOVA[a]

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	15.027	4	3.757	66.360	0.000[b]
Residual	20.663	365	0.057		
Total	35.689	369			

a. Dependent Variable: Usage of Trading

b. Predictors: (Constant), Willingness, Risk and fear, Knowledge, Trustiness

According to the researcher's analysis, the hypotheses related to all the variables the researcher developed are accepted. The researcher determines it because the significant value obtained in the coefficient table by adding all the variables shows a value less than 0.05. Here, except for the variable risk and fear used by the researcher, a positive relationship is shown with all other variables, the dependent variable, and only the variable called risk and fear shows a negative relationship.

Table 4
Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	β	Std. Error	β		
(Constant)	2.414	0.149		16.201	0.000
Knowledge	0.190	0.020	0.401	9.707	0.000
Risk and fear	-0.085	0.025	-0.152	-3.361	0.001
Trustiness	0.131	0.024	0.266	5.560	0.000
Willingness	0.156	0.022	0.305	7.057	0.000

a. Dependent Variable: Usage of Trading

CONCLUSION AND IMPLICATIONS

The findings found by the researcher in this study proved that these variables significantly affect cryptocurrency trading in the crypto market. For this, the researcher uses four widely used variables for cryptocurrency. Among those variables, the impact of some variables is negative, while the impact of others is positive. In this way, a negative impact was shown in risk and fear, and a positive effect was shown in all other variables, namely knowledge, willingness, and trustiness.

The recommendation given by the researcher to the undergraduates who know about cryptocurrency is to further search for knowledge about this cryptocurrency and use that knowledge correctly. The values of cryptocurrencies are constantly changing; thus, researchers advise keeping an eye on them. Keep up with the most recent changes, and follow reputable blogs, social media profiles, and news sources. It is not possible to improve at once in the subject of cryptocurrency. Consequently, the researcher recommends that undergraduates who need to learn about cryptocurrency only invest in cryptocurrency if they know about it. Then, they may lose sight of the good side of cryptocurrencies. Find out more about cryptocurrency. When researching cryptocurrency, various variables that are not included in this research can be identified. Hence, the researcher invites future researchers to use other variables besides these four to see if the results are the same when researching this cryptocurrency.

***Keywords*:** Cryptocurrencies, knowledge, trustiness, risk and fear, undergraduates, willingness.

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