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Securities Transaction Assistance Based On Capital Market Trading Mechanism In Indonesia With Interactive Simulation In Kendari City

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Abstract. The capital market is vital for Indonesia's economy, providing mechanisms for companies to raise funds and for individuals to invest. However, in Kendari City, public participation in securities investment remains low, largely due to limited knowledge and accessibility. This study investigates the trading mechanisms of Indonesia's capital market, identifies challenges faced by the community in Kendari, and explores the use of interactive simulations as an innovative mentoring tool. A qualitative case study approach was employed, incorporating observations, interviews, and thematic analysis. Results demonstrate that interactive simulations effectively enhance understanding and confidence in securities transactions, leading to greater participation and better financial decision-making. The findings underscore the importance of financial education programs that integrate modern technological tools to improve public literacy and engagement in the capital market. Recommendations are provided for stakeholders to optimize these strategies for broader implementation, fostering sustainable growth in Kendari's capital market.

Keywords: Capital Market; Interactive Simulation; Securities Transactions.

A. INTRODUCTION

The capital market is one of the important instruments in the Indonesian economy that serves as a means to raise and distribute funds from the public to companies that need capital. In this context, the capital market not only plays a role in providing access to financing for companies, but also provides opportunities for the public to invest and get returns from their investments. With the development of information and communication technology, trading mechanisms in the capital market are increasingly complex and dynamic, facilitating faster and more efficient transactions. However, in Kendari City, despite the considerable potential of the capital market, the level of public participation in securities investment is still relatively low.

According to data from the Financial Services Authority (OJK) in 2022, only around 1.5% of the total population in Kendari became investors in the capital market. This figure shows that there are still many people who have not taken advantage of the opportunities available in the capital market to improve their economic welfare. This condition reflects a significant gap between potential and reality, where many individuals may not have sufficient knowledge on how to invest or are hesitant to engage in the capital market. Therefore, effective mentoring

efforts are needed to increase the understanding and involvement of the community in securities transactions.

Kendari as one of the developing cities has great potential for capital market development. With abundant human resources and increasing economic potential, people in Kendari City should be able to more actively participate in investing in the capital market. However, the lack of understanding of the trading mechanism, the risks involved, as well as the benefits that can be obtained is a barrier for the community to invest. Another challenge is the lack of access to relevant and reliable information about the capital market.

Along with technological developments, education and training methods must also adapt. One innovation that can be applied is the use of interactive simulations as an assistance tool in securities transactions. This simulation not only provides theoretical understanding, but also practical experience that can help the public to better understand the dynamics of the capital market. With a more interactive approach, it is expected that the public can more easily understand the basic concepts of investment, trading mechanisms, and strategies that can be used to minimize risk and maximize profits. Thus, efforts to increase public participation in the capital market in Kendari can be carried out more effectively. To achieve this goal, this research will focus on an in-depth analysis of the prevailing capital market trading mechanisms in Indonesia, particularly in Kendari City.

The research will also identify the challenges faced by the community in investing in the capital market, as well as explore the potential of using interactive simulations as a mentoring method that can improve community understanding.

In this research, there are crucial issues to provide a clear direction and focus, namely how is the capital market trading mechanism applicable in Indonesia, especially in Kendari City? Also, what are the challenges faced by the community in investing in the capital market, and how can interactive simulation be used as a mentoring tool in securities transactions? This research will explore the effectiveness of this method in improving community understanding and engagement in the capital market, as well as provide useful recommendations for implementation in the field.

B. LITERATURE REVIEW

Capital Market

The capital market is a meeting place for those who need funds (issuers) and those who have funds (investors). This definition reflects the vital role of capital markets in connecting two different economic entities, namely issuers seeking sources of financing for expansion or operations, and investors seeking opportunities to grow their wealth. According to Law No. 8 of 1995 on the Capital Market, the capital market is an activity related to the public offering and trading of securities issued by public companies (Bapepam-LK, 2020). In this context, the securities referred to include various financial instruments, including stocks and bonds, that offer potential profits for investors. Thus, the capital market serves not only as a place for transactions, but also as a mechanism to allocate financial resources efficiently.



Source: Structure Capital Market Indonesia

Figure 1 Indonesian Capital market

The capital market in Indonesia has grown rapidly in recent decades, thanks to various reforms undertaken by the government and regulators. This growth can be seen from the increasing number of listed issuers and the volume of transactions that occur. This shows that more and more economic actors are realizing the importance of the capital market as an alternative source of financing. The existence of a healthy and well-functioning capital market is essential to support sustainable economic growth. Thus, an in-depth understanding of the definition and function of the capital market is very important for all stakeholders, including investors, issuers, and regulators.

Capital Market Functions

The main functions of capital markets include raising funds for investment, providing liquidity for investors, as well as being an indicator of a country's economic health. In terms of fundraising, capital markets allow issuers to obtain the necessary funds for expansion or new projects through a public offering of shares or bonds. In this way, companies can access greater resources than they might obtain through traditional bank loans. In addition, capital markets also provide liquidity for investors, meaning that investors can buy and sell securities easily, giving them flexibility in managing their investment portfolio.

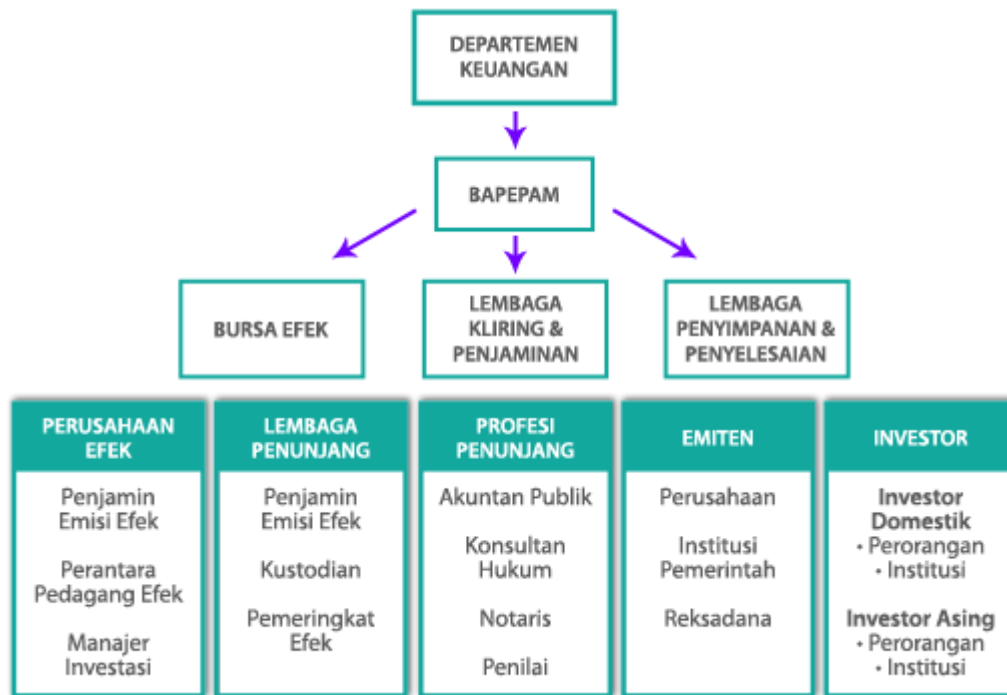


Figure 2 Structure Capital Market Indonesia

The capital market also acts as an indicator of a country's economic health. When the stock market index rises, it often reflects investor confidence in the economy, whereas a fall in the index can indicate broader economic uncertainty or problems. This makes the capital market an important barometer for investors and policymakers. In addition, capital markets also contribute to sustainable economic growth by bringing together different economic interests. By facilitating transactions between those who have excess funds and those who need funds, the capital market encourages investment which in turn can create jobs and increase people's purchasing power.

Capital Market Instruments

Instruments traded in the capital market include stocks, bonds, mutual funds, and derivatives. Each instrument has different characteristics and risks, thus providing a variety of choices for investors. According to data from the Indonesia Stock Exchange (IDX), by the end of 2022 there will be more than 700 listed companies, with a total market capitalization of around IDR 7,000 trillion (IDX, 2022). This figure shows how rapidly the capital market is growing in Indonesia, and illustrates the huge potential that exists for investors to invest in various instruments.

Shares, as one of the main instruments, give their holders ownership rights over the company that issued them. This allows investors to earn dividends and capital gains, depending on the company's performance. Bonds, on the other hand, are debt instruments that provide investors with fixed returns and are often considered a safer option than stocks. Mutual funds, which are pools of funds from various investors, offer diversification and are managed by professional investment managers, making them suitable for investors who do not have the time or knowledge to manage their own investments.

Capital Market Trading Mechanism

Securities Transaction Process

The securities transaction process in the capital market involves several stages, starting from public offering, listing of shares, to trading in the secondary market. A public offering is the first step where an issuer offers its shares to the public for the first time, known as an Initial Public Offering (IPO). Once the shares are listed, they can be traded on the secondary market, where investors can buy and sell the shares that have been issued. In every transaction, there

are mechanisms that ensure transparency and efficiency, such as the use of the electronic trading system (SSE) implemented by the IDX (Sari, 2021).

This electronic trading system allows transactions to be conducted in real-time, thereby improving market liquidity and efficiency. In addition, the system is also equipped with various security features that protect transaction data and information. This process is not only beneficial for investors, but also for issuers, who can obtain fresh funds for their business development. Thus, an effective trading mechanism is essential to maintain investor confidence and encourage greater participation in the capital market.

Every transaction in the capital market must also comply with regulations set by the competent authorities, such as the Financial Services Authority (OJK). These regulations aim to protect investors and maintain market integrity. With strict regulations, it is expected that the capital market can function properly and provide optimal benefits for all parties involved. Therefore, an understanding of the transaction process and applicable regulations is very important for all market participants.

In the capital market trading mechanism, there are several parties that play an important role, including issuers, investors, securities companies, and regulators. Issuers, as parties that issue securities, have the responsibility to provide transparent and accurate information to investors. This includes financial statements and other material information that may affect investment decisions. Investors, on the other hand, need to conduct careful analysis before making investment decisions, in order to minimize the risks that may arise.

Securities companies thus serve as intermediaries between issuers and investors, assisting in the public offering process and trading securities in the secondary market. This helps provide advisory services and market analysis to investors, thereby helping them make better decisions. Regulators, such as OJK, have a crucial role in maintaining market stability and protecting the interests of investors in setting rules and regulations that must be followed by all parties involved in the capital market.

Interactive Simulation Simulation Concept

Interactive simulation is a learning method that allows participants to interact directly with situations that resemble real conditions. In the context of the capital market, this simulation can help participants understand the dynamics of securities trading more deeply (Widiastuti, 2021). Through simulation, participants can learn about the transaction process, market analysis, and investment strategies without having to face real financial risks. This helps participants to collaborate and discuss with fellow participants, thus enriching the learning experience. Thus creating an interactive element, participants are not only passive listeners, but also actively involved in the learning process. The application of simulation in financial education has shown positive results, especially in increasing participants' interest and understanding of the capital market. So that participants can learn from the mistakes they make in the simulation, which in turn can help them make better decisions when investing in the real capital market.

Application of Simulation in Financial Education

Financial education that integrates interactive simulations has been shown to be effective in improving participants' understanding of investments. According to research by Setiawan (2022), participants who took part in the simulation program showed a significant increase in knowledge and confidence in investing compared to participants who only took part in conventional learning. Simulation also allows participants to experience first-hand how the capital market operates, including understanding the risks and opportunities that exist. The application of simulation in financial education includes integrating with technology, such as mobile applications or online platforms, which allow participants to learn anytime and anywhere. This provides easy access, and more people can be educated about the capital market and the importance of financial literacy.

Capital Market Potential in Kendari Cit

Kendari City has great capital market potential, especially with the rapid development of the local economy. Sectors such as fisheries, agriculture, and tourism are the main drivers that can be utilized to attract investment in the capital market (Kendari City Trade and Industry Office, 2022). With abundant natural resources and attractive natural beauty, Kendari City has its own attraction for investors, both local and foreign.

Increased economic activity in Kendari City is also supported by improved infrastructure, such as roads, ports, and other supporting facilities. This creates a conducive environment for business growth and attracts investors to invest in the capital market. In addition, the government of Kendari.



Figure 3 Significant Trend of Increase in Stock Investors in Southeast Sulawesi

However, to maximize the potential of the capital market in Kendari City, educational efforts and increased financial literacy among the community are needed. The characteristics of investors in Kendari City tend to be dominated by young people and professionals who have a good educational background. However, their level of understanding of the capital market is still low, so more intensive education and mentoring efforts are needed (BPS Kendari, 2023). Despite having the potential to become successful investors, the lack of knowledge on how to invest wisely may hinder them from capitalizing on the opportunities available in the capital market. This suggests the need for more targeted educational programs to improve financial literacy among the people of Kendari City.

C. RESEARCH METHODOLOGY

this research is qualitative research with a case study approach. This study aims to gain a deep understanding of the mechanism of capital market trading and the effectiveness of Interactive Simulations in assisting securities transactions. The qualitative approach was chosen because it allows researchers to explore and understand complex phenomena in specific social and economic contexts. So that researchers can capture nuances and details that may be missed in more structured quantitative research with a focus on Kendari City as a research location, by observing local dynamics that affect capital market trading. Thus, the results of the study are expected to provide greater insight into how people in kendari city interact with the capital market and how education and simulation can contribute to improving

their understanding. The location of this study was carried out in Kendari City, Southeast Sulawesi, which is one of the regions with fairly good economic growth and has a capital market potential that has not been fully utilized.

This creates an attractive environment for research, especially in the context of capital market development. Positive economic growth in Kendari can be seen from various indicators, such as increased local investment and the presence of new companies. However, despite the great potential, public awareness of the capital market is still low. Therefore, this study focuses on how interactive simulations can be used as a tool to improve people's understanding of capital markets and support them in making better investment decisions. The general public involved in the study includes individuals who have an interest in investing but may not yet have sufficient knowledge. In addition, academics involved in economics and finance are expected to provide theoretical insights that enrich research results. The literature studied includes investment theories, investor behavior, and the impact of education on investment decisions.

Observations were carried out in several educational and training activities related to the capital market to see firsthand how the learning process and interaction of participants took place. In this observation, the researcher recorded various aspects, ranging from the way the material was delivered by the instructor to the participants' response to the material taught. This provides additional information that can complement the data obtained from interviews and literature studies. The Data obtained from interviews and observations will be analyzed using the thematic analysis method, which allows researchers to identify patterns and themes that emerge from the data. Interactive simulation development is also done by involving experts in the field of Information Technology and capital markets. This simulation is designed to provide a fun and educational learning experience for participants. Through this simulation, participants can learn about various aspects of the capital market, including how to conduct securities transactions, manage risks, and understand Market Analysis.

D. RESULTS AND DISCUSSION

Analysis of capital market trading mechanism in Indonesia The mechanism of capital market trading in Indonesia has undergone significant development, especially with the application of Information Technology. In recent years, the Indonesia Stock Exchange has transformed into a more modern and efficient, which allows investors to make transactions more quickly and conveniently. This can be seen from the increase in the number of daily transactions reaching billions of rupiah, indicating a high interest from investors.

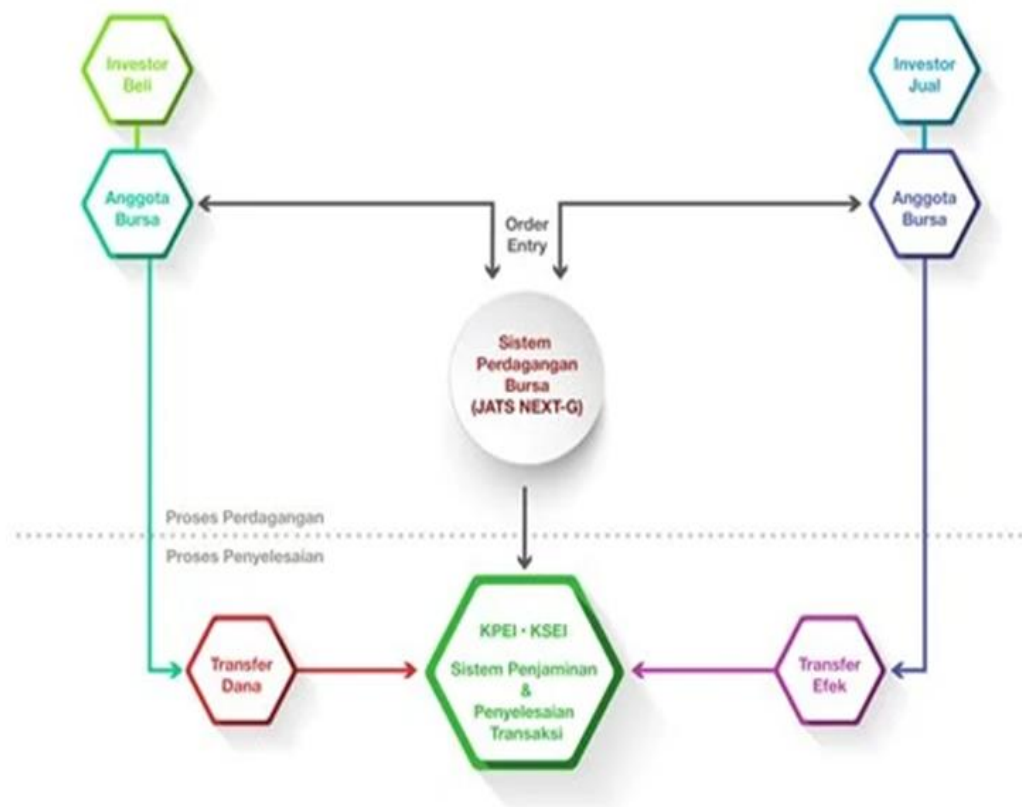


Figure 4 Mechanism of stock trading on the Stock Exchange

However, there are still challenges faced, such as a lack of public understanding of existing investment products. According to data from the Financial Services Authority (OJK), only about 5% of the total Indonesian population is actively involved in the capital market, which indicates a knowledge gap about investment. This lack of understanding is often due to the lack of adequate financial education among the public. Many individuals do not know how the capital market works, the types of investment instruments available, and the risks associated with such investments. This creates uncertainty and fear to invest, which in turn hampers the growth of the capital market in Indonesia. With information technology, there are opportunities to improve people's understanding through online education platforms that can be accessed by anyone, anytime. therefore, collaborative efforts between the government, financial institutions, and educational institutions are needed to develop effective educational programs. The analysis shows that this ignorance has an impact not only on individuals, but also on the economy as a whole. If the community does not invest, then the potential for capital accumulation that can be used for infrastructure development and business development will be hampered. This shows the importance of creating awareness of investment as one of the ways to strengthen the local economy. Analysis of Capital Market Potential in Kendari City The potential of the capital market in Kendari City is very large, especially with the support of local governments that encourage local economic development. Kendari city, as the capital of Southeast Sulawesi province, has abundant natural resources and economic potential that has not been fully utilized. In recent years, local governments have sought to attract investors by creating a conducive investment climate. This includes the provision of adequate facilities as well as incentives for investors who want to invest in the area. However, public participation in securities investment still needs to be improved through education and mentoring.



Figure 5 Investment Growth Data in South Sulawesi

One of the main challenges in increasing public participation is the lack of access to information about available investment products. Many Kendari residents do not know that they can invest in the capital market without having to be a large investor or have large capital. Proper education and effective counseling programs can help people understand that investing in the capital market can be done with relatively small capital and can provide attractive returns. In addition, collaboration between the government, financial institutions, and local communities is essential to build public trust in the capital market.

Furthermore, the potential of the capital market in Kendari can be optimized by utilizing digital technology. With the development of information technology, people can easily access information and make investment transactions through mobile applications and online platforms. So that it makes it easier for the public to get involved in the capital market without having to come directly to the stock exchange.

Interactive Simulation Development

The development of interactive simulations in the context of financial education in Kendari shows positive results. This simulation is designed to provide practical experience to participants in investing in the capital market. In this program, participants are given the opportunity to make transactions virtually, so they can understand the mechanics of trading without the risk of losing real money. The results of this program show that participants involved in this simulation show an increase in knowledge and skills in investing. A survey conducted after the simulation showed that more than 70% of participants felt more confident to invest after participating in this program.

The increase in participants' knowledge is not only seen from their confidence, but also from a better understanding of the various investment instruments available. In this simulation, participants learn about stocks, bonds, and mutual funds, as well as how to analyze investment performance. In addition, they are also taught about the importance of portfolio diversification to reduce risk. This practical experience provides a deeper understanding compared to just learning from traditional books or learning materials. The analysis of the simulation results shows that practice-based learning is more effective in building investment skills compared to conventional learning methods. Participants not only gain theoretical knowledge, but can also apply this knowledge in real situations. This shows that innovative approaches in financial education can help overcome the challenge of low public understanding of the capital market.

Results of Securities Transaction Assistance

The simulation performance evaluation showed that participants were able to understand the trading mechanism and were able to make transactions with more confidence after participating in the mentoring program. During the program, participants are given direct guidance from experts who are experienced in the field of capital markets. It covers important aspects such as market analysis, risk management, and effective investment strategies. The results of the evaluation showed that participants who received mentoring had a higher transaction success rate compared to those who did not receive mentorship. In addition, the evaluation also includes an analysis of changes in participants' behavior in investing. Many participants who were previously hesitant to invest are now more active and proactive in seeking information about investment opportunities. They started following market news and using various resources to delve into investment analysis. This shows that mentoring programs not only increase knowledge, but also change participants' mindsets regarding investment. So that the success of this program can be measured not only from the results of transactions, but also from changes in participants' attitudes towards investment. So from this evaluation is that effective mentoring can have a significant positive impact on the ability and confidence of participants in investing in the capital market.

This can be seen from the increase in test scores carried out before and after the program. Before joining the program, many participants had a basic understanding of the capital market, but did not have enough knowledge to make the right investment decisions. However, after participating in the simulation and getting mentoring, participants showed a clear improvement in their ability to analyze market information and make better investment decisions. This increase in understanding is also supported by positive feedback from participants regarding the material presented during the program. Many participants admitted that they felt more prepared to invest after participating in the simulation. They feel they better understand the risks and rewards associated with various investment instruments. In addition, participants also learn to recognize market signs that can affect their investment decisions. This shows that educational programs designed with Both can have a significant impact on participants' investment knowledge and skills. Analysis of the data collected during the program showed that participants who actively participated in discussions and practical exercises had a better level of understanding compared to those who only followed passively. This shows the importance of active involvement in the learning process to achieve optimal outcomes.

Changes in participants' investment behavior were also observed, where they were more active in seeking information and considering investing in the capital market after participating in the mentoring program. Before participating in the program, many participants felt confused and did not know where to start in investing. However, after gaining the necessary knowledge and skills, they begin to dare to take the first step in investing. This can be seen from the increasing number of participants who opened securities accounts and began to conduct transactions in the capital market. In addition, participants also showed changes in the way they manage their personal finances. Many of them have started setting aside a portion of their income to invest, which they didn't do before. This shows that educational programs not only succeed in increasing knowledge about investment, but also influence participants' financial mindsets and habits. Thus, this mentoring program not only has an impact on individuals, but also has the potential to create a better investment culture in the community.

Further analysis shows that the success of this behavior change can be measured from the increase in the amount of investment made by participants. Many of them reported that they had invested in various instruments, such as stocks and mutual funds, after participating in the program. This shows that effective education programs can have a long-term impact on people's investment behavior. Therefore, it is important to continue to develop and expand financial education programs so that more people are educated and involved in the capital market.

E. CONCLUSIONS AND SUGGESTIONS

This study shows that assistance in securities transactions through interactive simulations can increase public understanding of the capital market in Kendari City. This is important to encourage public participation in securities investment and optimize the potential of the capital market in the area. With the increasing understanding of the public, it is hoped that they will be able to make better and more informed investment decisions, which in turn can increase liquidity and transaction volume in the local capital market. In addition, this increase in knowledge can also minimize the investment risks that are often faced by novice investors. Furthermore, it can explore more deeply about various education and mentoring methods that can be applied to improve people's financial literacy, as well as design programs that are more integrated with educational institutions. This includes the development of relevant curricula in schools and universities, as well as training for teachers and teachers so that they can deliver material in an engaging and easy-to-understand way. In addition, collaboration between government institutions, the private sector, and local communities is also very important to create an ecosystem that supports learning about investment.

With a holistic approach, it is hoped that people's financial literacy can increase significantly, which will ultimately contribute to healthier and more sustainable capital market growth. So that in the development of the capital market in Indonesia, it is important to take a more innovative approach to financial education, so that people can be more prepared and confident in investing in the capital market. This includes the use of digital technologies, such as mobile apps and online platforms that provide real-time investment information and simulations. By utilizing technology, information can be conveyed in a more interactive and interesting way, thus attracting the interest of the younger generation who are potential investors in the future. Although this study shows positive results, challenges still exist in the implementation of education and mentoring programs in the community. One of the main challenges is the low public awareness of the importance of financial and investment literacy. Many people still view the capital market as a high-risk arena and only for the wealthy. Therefore, it is important to change this perception through educational campaigns that target various levels of society, including those in remote areas. In addition, there is a need for support from the government and related institutions to provide adequate resources in the implementation of these programs. So that the role of the government and related institutions is needed in supporting the development of the capital market through financial education. They can collaborate to develop policies that support education and mentoring programs, as well as provide the necessary funds for training and counseling. In addition, the government can facilitate the implementation of seminars, workshops, and other activities that aim to increase public knowledge about the capital market. With strong support from the government, it is hoped that the public can be more confident in taking investment steps, which will ultimately contribute to national economic growth. Education and assistance in increasing public understanding of the capital market. With the right approach, people will not only be better prepared to invest, but can also contribute to broader economic development. Therefore, all parties, including the government, educational institutions, and the community itself, need to work together to create an environment that supports financial literacy and investment. Thus, the capital market in Indonesia can develop even better than now and provide greater benefits for the entire community, especially the people of Kendari City.

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