AN INSIGHT INTO THE PERCEPTIONS OF PROFESSIONAL ACCOUNTANTS IN KOLKATA VIS-A-VIS SOME IMPORTANT FUND-SPONSOR-RELATED AND INVESTOR-SERVICE-RELATED FEATURES OF MUTUAL FUNDS

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[This study aims to gain an understanding of the perceptions of professional accountants in Kolkata regarding some important investor-service-related and fund-sponsor-related features of mutual funds. The significant role that the professional accountants play in rendering financial advice to others in professional or other capacity justifies the necessity of the study. After checking internal consistency of the data using Cronbach's alpha, at first Factor Analysis has been done to identify the unique investor-service related and fund-sponsor related features. Thereafter, Mann-Whitney U Test has been done to understand the significance of variation in the perception of the respondents.

***Keywords:** Mutual Fund, Professional Accountants, Cronbach's alpha, Factor Analysis, Mann-Whitney U Test]*

Introduction

With the Indian economy moving through the different phases of structural liberalisation, several new financial products have being launched. Mutual funds entered the Indian economic scenario after its growth story in the western countries. Initially, Unit Trust of India (UTI) was the market leader with the famous US-64 in its credential. However, during 1987-92, several public-sector banks and financial institutions entered the mutual fund industry. After 1992, the private sector entered the mutual fund industry too. Hence, after that period, a plethora of funds were opened up to the Indian investors. Furthermore, to withstand competition posed by the other investment instruments prevalent in the economy, different types of mutual funds started getting launched.

Under such circumstances, it was becoming increasingly difficult for the investors to select appropriate investment instruments for constructing their

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portfolios. Many investors also lacked the expertise of processing information about the various macro-and micro-economic variables which is necessary for correct decision-making. Mutual funds, being coupled with the benefit of professional expertise and diversification, should have been attractive to the majority of the investors. However, performance of the mutual fund industry reveals that retail investors do not constitute a sizeable chunk of their investors. That apart, a majority of the investors are concentrated in the urban areas. This study attempts to understand the perception of the professional accountants regarding the reasons favouring the selection and rejection of mutual funds as an investment vehicle.

Literature Review

Shanmugham [2000] conducted a survey on 201 individual investors. The study aimed at comprehending the information sourcing by investors, their perceptions of different investment strategies and the factors motivating their share-investment decisions. The study has concluded that the psychological and sociological factors dominate over the economic factors in share-investment decisions.

Donner and Oxenstierna [2007] carried out a study aimed to understand the relationship between fund flow and fund-company / fund-specific attributes and have analyzed what factors investors valued when making investment decisions in the Swedish market for mutual funds. The study has revealed that a positive relationship exists between fund flow and fund performance. Experienced investors valued fund-specific variables more than inexperienced investors. Inexperienced investors valued company-specific variables and visibility-specific variables more than experienced investors.

Funfgeld and Wang [2008] administered a questionnaire on a heterogeneous sample of 1282 respondents in the German-speaking part of Switzerland to understand the financial attitudes and behaviour of different demographic groups. They have concluded, through Factor Analysis, that anxiety, interests in financial issues, decision styles, need for precautionary savings and spending tendencies are the five independent components. Then they carried out a Two-step Factor Analysis (Ward and K-means Analysis) to identify the five sub-groups with different financial attitudes and behaviour. Thereafter, they have concluded, by using Linear Regressions, that socio-demographic variables like gender, age and education have a significant impact on financial attitudes and behaviour.

Awan and Arshad [2012] carried out a study after collecting primary data from the mutual fund investors of five major cities of Pakistan. Results of Chi-Square Tests have revealed that age group has a significant association with fund-related qualities, marital status has an association with sponsor-related qualities, and investor-city has a significant association with investor behaviour and fund-related index. Past performance of the fund, reputation of the asset management companies (AMCs), withdrawal facility

and company services towards investors are the important attributes that influenced decision-making by the investors to a great extent. One-way ANOVA was conducted to understand the effect of demographic variables on the four variables identified through Factor Analysis. The study has shown that investors strongly felt that the losses in investment were due to incorrect recommendations of family members and friends and owing to political uncertainties. They also felt that gains took place due to good performance of the investing companies and the market.

Prasad and Srinivas [2012] carried out an empirical study on 503 respondents from major cities of the then Andhra Pradesh to understand their attitude with respect to different fund/sponsor/ investor-related qualities. The study also aimed to comprehend the attitude of the respondents towards the different financial products and facilities provided by the fund houses. The study has found six factors which influence the selection of mutual funds, i.e., infrastructure, reputation of fund, flexibility, transparency, additional facilities, and brand name

Tahseen and Narayana [2012] have studied consumer attitudes towards financial investments, particularly mutual funds, in the Oman market. In this study, data were collected from a sample of 200 investors through a process of methodological triangulation. Pearson Product Moment Correlation and Standard Multiple Regressions were used to understand consumer attitudes

towards mutual funds. The study has shown that consumers' desire for new funds has the greatest contribution towards the formation of positive attitude vis-a-vis mutual funds. It has also revealed that brand image and size of the funds are the important factors that contribute to develop positive attitude regarding mutual funds. Finally, the study has suggested that the mutual fund industry and, hence, the economy can grow, if the financial industry participates in mutual fund promotion by using the right cognitive and affective strategies.

Research Gap

Empirical study conducted in different nations at different points of time have revealed that there are many factors which influence the fund-selection pattern of the investors. However, a gap has been noticed, i.e., no study has so far been done to comprehend the perceptions of the professional accountants regarding investment in mutual funds. View of the professional accountants are considered to be of great importance in the economy as they have the professional training and experience by virtue of which they are in a position to take their own investment decisions and offer investment advices to other investors at large.

Research Methodology

The present study is empirical in nature. It is based on both primary and secondary data. Primary data for the study has been sourced by administering a structured questionnaire. The target group for administering the questionnaire comprises some selected professional

accountants in Kolkata, i.e., the members of The Institute of Chartered Accountants of India and The Institute of Cost Accountants of India functioning in Kolkata. They have been selected by using judgemental sampling, the sources being the lists of members in Kolkata of these two professional bodies. The sample of the study has been taken from the list of members of The Institute of Cost Accountants of India as on 1/4/2012 and from the list of members of The Institute of Chartered Accountants of India as on 1/4/2011. In spite of best efforts, the list of members of The Institute of Chartered Accountants of India as on 1/4/2012 was not available. However, it is expected that this will not distort the representativeness of the sample.

The study has been finally done on the basis of 160 completely filled in questionnaire finally received. The sample constitutes respondents who form around 1% of the population of members of The Institute of Chartered Accountants of India (118 Chartered Accountants (CAs) in number) and around 1% of the population of members of The Institute of Cost Accountants of India (42 Cost and Management Accountants (CMAs) in number). Among the CAs included in the sample, 47 are also CMAs. The rationale behind such inclusion lies in the fact that it has been observed that individuals, with both the professional qualifications, consider CA as their primary professional qualification.

Objectives of the Study

This study is aimed to cover selected professional accountants with the specific objectives stated below.

1. to assess the most important investor-service-related features influencing their selection of mutual funds

2. to assess the most important fund-sponsor-related features influencing their selection of mutual funds

3. to assess if there is significant difference in their preference for the investor-service-related features across professional qualification, occupation and if they have offered financial advice in professional or any other capacity to others

4. to assess if there is significant difference in their preference for the fund-sponsor-related features across professional qualification, occupation and if they have offered financial advice in professional or any other capacity to others

Empirical Analysis

First Part

Professional Qualification-wise Distribution of the Respondents

Professional Qualification	Frequency	Percent
Chartered Accountant	118	73.8
Cost & Management Accountant	42	26.2
Total	**160**	**100**
Source: Field Survey		

Occupation-wise Distribution of the Respondents

Occupation	Frequency	Percent
In Service	89	55.6
In Practice	71	44.4
Total	**160**	**100**

Source: Field Survey

Distribution of the Respondents
Basis: Whether they have offered financial advice in professional or any other capacity to others

Have You Ever Offered Financial Advice in Professional or any other Capacity to Others?	Frequency	Percent
Yes	138	86.2
No	22	13.8
Total	**160**	**100**

Source: Field Survey

Cross-Tabulation

			Professional Qualification	
			Chartered Accountant	**Cost & Management Accountant**
Have You Ever Offered Financial Advice in Professional or any Other Capacity to Others ?	Yes	Count	108	30
		% within Professional Qualification	91.5%	71.4%
	No	Count	10	12
		% within Professional Qualification	8.5%	28.6%
Total		**Count**	**118**	**42**
		% within Professional Qualification	**100.0%**	**100.0%**

Source: worked out by using the SPSS (version 20)

Second Part

Factor Analysis

With respect to investor-service-related characteristics (15 items) and the fund-sponsor- related characteristics (6 items), Factor Analysis has been done (2 in number).

In Statistics, **Cronbach's á (alpha)** is a coefficient of internal consistency. Therefore, for the purpose of assessing the reliability of the data collected for empirical testing, at the beginning, **Cronbach's á (alpha**) has been worked out for the data relating to each of the 2 aspects mentioned above with the help of the SPSS (version 20).

Factor Analysis has been done as it is the most commonly available tool for data reduction and summarization which can help one to identify few salient uncorrelated variables. The researcher has relied on some standard statistical and visual tools, commonly used in Factor Analysis, without avoiding value judgments. One method which has been put forth is to exclude factors with Eigen values smaller than one since the factors retained in this way account for more variance than the average for the variables.

Internal consistency of data relating to perception of respondents vis-a-vis the investor-service related characteristics (15 items) is high [Cronbach's á (alpha) being 0.867] as seen in the Table 1.a.

TABLE 1.a

Reliability Statistics	
Cronbach's Alpha	**N of Items**
0.867	15

Source: worked out by using the SPSS (version 20)

TABLE 1.b

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		**0.777**
Bartlett's Test of Sphericity	Approx. Chi-Square	1337.557
	df	105
	Sig.	.000

Source: worked out by using the SPSS (version 20)

Bartlett's Test of Sphericity is used to test the null hypothesis that the variables are uncorrelated in the population. As shown in the Table 1.b, a large value of the test statistic leads to rejection of the null hypothesis and it can be concluded that

application of Factor Analysis is appropriate. Furthermore, a high magnitude of the KMO Measure of Sampling Adequacy suggests the appropriateness of conducting Factor Analysis.

Interpretation of the output of Factor Analysis

The output of Factor Analysis is obtained by applying the Principal Component Analysis. In the Tables 1.c and 1.d, the output of Factor Analysis with respect to the investor-service-related characteristics (15 items) of the questionnaire has been explained. The Total Variance has been explained in the Table 1.c and the Rotated Component Matrix in the Table 1.d. The Table 1.c depicts the Eigen values of all the factors associated with investor-service-related characteristics which may affect the selection of mutual funds. The first four factors have been chosen for further analysis as they have Eigen values greater than 1 and the proportion of variance explained by them is 69.114%, which is fairly high.

TABLE 1.c

	Total Variance Explained								
	Initial Eigen values			**Extraction Sums of Squared Loadings**			**Rotation Sums of Squared Loadings**		
Com-po-nent	**Total**	**% of Variance**	**Cumula-tive %**	**Total**	**% of Variance**	**Cumula-tive %**	**Total**	**% of Variance**	**Cumula-tive %**
1	5.599	37.324	37.324	5.599	37.324	37.324	3.243	21.623	21.623
2	1.945	12.964	50.288	1.945	12.964	50.288	3.128	20.851	42.474
3	1.699	11.327	61.614	1.699	11.327	61.614	2.160	14.398	56.872
4	1.125	7.500	69.114	1.125	7.500	69.114	1.836	12.242	69.114
5	.999	6.662	75.776						
6	.742	4.948	80.724						
7	.713	4.752	85.476						
8	.506	3.375	88.851						
9	.382	2.549	91.399						
10	.297	1.982	93.382						
11	.277	1.846	95.228						
12	.231	1.542	96.770						
13	.200	1.336	98.106						
14	.160	1.070	99.176						
15	.124	.824	100.000						

Source: worked out by using the SPSS (version 20)
Extraction Method: Principal Component Analysis

Next, a rotation of these factors is applied to provide a more meaningful and easily interpretable solution loading matrix. An orthogonal rotation has been applied to determine the uncorrelated factors. The resulting loadings are presented in the Table *1.d.*

TABLE 1.d

Rotated Component Matrixa				
	Component			
	1	2	3	4
Disclosure of investment objective in the advertisement	.439	-.133	.276	.574
Disclosure of periodicity of valuation in the advertisement	.276	.298	.162	.731
Disclosure of the method and the periodicity of the scheme's sales and repurchases in the offer documents	.577	.364	-.021	.314
Disclosure of the nav on every trading day	.318	.619	.032	.101
Disclosure of deviation of the investments from the original pattern	.831	-.007	.087	.046
Fund's investor grievance redressal mechanism	.003	.365	.766	.092
Fringe-benefits, i.e., insurance,credit cards, Tax benefits, loans on collaterals, etc.	-.142	.002	.010	.780
Preferred funds to avoid problems, i.e., Bad deliveries and unnecessary follow up with brokers and companies	.113	.111	.804	.313
Disclosure of the fund performance relative to the benchmark index	.801	.171	.311	-.119
Disclosure of the fund performance compared to similar type of funds	.440	.304	.583	-.234
Disclosure of the fund performance over the previous year	.722	.252	.058	.223
Disclosure of the fund's average annual performance over the previous 10 years	.587	.497	-.151	-.036
Plans for investing offered to the investors, i.e., sip, swp, stp, etc.	.319	.772	.186	-.063
Dividend options offered to the investors, i.e., growth option, re-investment option, sweep option, etc.	-.071	.813	.390	.124
Disclosure of payment of dividend or Bonus history	.100	.818	.407	.082

Source: Worked out by using the spss (version 20)
Extraction Method: Principal Component Analysis
Rotation Method: Varimax With Kaiser Normalization
A. Rotation Converged in 9 Iterations

The Table 1.d reveals that disclosure of the method and the periodicity of the schemes' sales and repurchases in the offer documents, disclosure of the deviation of the investments from the original pattern, disclosure of the fund performance relative to the benchmark index, disclosure of the fund performance over the previous year and disclosure of the fund's average annual performance over the previous 10 year load positively and quite highly on the first factor. As these factors are connected with the disclosure of investment-and performance related issues, this component can be named as **Investment- and Performance- related Disclosures**. Disclosure of NAV on every trading day, plans for investing offered to the investors, i.e., SIP, SWP, STP, Dividend options offered to the investors and disclosure of payment of dividend or bonus history load positively and quite heavily on the second factor. Since these factors relate to the disclosures regarding returns from the fund, this factor can be named as **Return-related Disclosures.** Fund's investor grievance redressal mechanism, preferred funds to avoid problems, i.e., bad deliveries and unnecessary follow up with brokers and companies and disclosure of the fund's performance compared to similar type of funds load positively and quite heavily on the third factor. However, as disclosure of the fund's performance compared to similar type of funds also has a fairly high and positive loading on the first component and is indeed an indicator of investment performance, applying the common logic, it shall be considered as an element of the first factor. The other two factors are indicative of the problem redressal issues and, hence, the component can be named as **Redressal of Problems**. Disclosure of investment objective in the advertisement, disclosure of periodicity of valuation in the advertisement, fringe benefits, i.e., free insurance, credit cards, loans on collaterals, tax benefits, etc., load positively and quite heavily on the fourth factor. Since these factors relate to the disclosures to be made in advertisements and indicate fringe benefits derived from the fund, this fourth component can be named as **Other Disclosures**.

Internal consistency of data relating to perception of respondents vis-a-vis the Fund-sponsor-related characteristics (6 items) is high [Cronbach's á (alpha) being 0.792] as shown in the Table 2.a.

TABLE 2.a

Reliability Statistics	
Cronbach's Alpha	**N of Items**
0.792	6

Source: worked out by using the SPSS (version 20)

TABLE 2.b

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.715
Bartlett's Test of Sphericity	Approx. Chi-Square	308.813
	df	15
	Sig.	.000

Source: worked out by using the SPSS (version 20)

In the Table 2.b above, Bartlett's Test of Sphericity is used to test the null hypothesis that the variables are uncorrelated in the population. A large value of the test statistic leads to rejection of the null hypothesis and it is concluded that application of Factor Analysis is appropriate. Furthermore, a high magnitude of the KMO Measure of Sampling Adequacy suggests the appropriateness of conducting Factor Analysis.

TABLE 2.c

	Total Variance Explained								
Com-po-nent	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumula-tive %	Total	% of Variance	Cumula-tive %	Total	% of Variance	Cumula-tive %
1	2.954	49.242	49.242	2.954	49.242	49.242	2.149	35.822	35.822
2	1.027	17.117	66.359	1.027	17.117	66.359	1.832	30.537	66.359
3	.771	12.856	79.215						
4	.573	9.554	88.769						
5	.439	7.311	96.080						
6	.235	3.920	100.000						

Source: worked out by using the SPSS *(version 20)*

Extraction Method: Principal Component Analysis

Interpretation of the output of Factor Analysis

The output of Factor Analysis is obtained by applying the Principal Component Analysis. In the Tables 2.c and 2.d, the output of Factor Analysis with respect to the fund-sponsor-related characteristics (6 items) of the questionnaire has been explained. The Total Variance has been explained in the Table 2.c and the Rotated Component Matrix in the Table 2.d. The Table 2.c depicts the Eigen values of all the factors associated with Fund-sponsor-related characteristics which may affect

the selection of mutual funds. The first two factors have been chosen for further analysis as they have Eigen values greater than 1 and the proportion of variance explained by them is 66.359%, which is fairly high.

Next, a rotation of these factors is applied to provide a more meaningful and easily interpretable solution loading matrix. An orthogonal rotation has been applied to determine the uncorrelated factors. The resulting loadings are presented in the Table 2.d.

Table 2.d
Rotated Component Matrixa

	Component	
	1	2
Reputation of the Sponsoring Firm	.829	.091
Sponsor has a Recognised Brand Name	.822	.082
Sponsor has a well-developed Agency and Network	.531	.421
Sponsor's expertise in Managing Money	.032	.838
Sponsor has a well-developed Research Wing	.257	.812
Sponsor's past performance in terms of Risk and Return	.661	.528

Source: worked out by using the spss (Version 20)
Extraction method: Principal Component Analysis
Rotation Method: Varimax with Kaiser Normalization
A. Rotation Converged in 3 iterations

The Table 2.d reveals that reputation of the sponsoring firm, sponsor has a recognised brand name and sponsor has a well developed agency and network load positively and quite highly on the first factor. Since these factors are all associated with goodwill and network of the sponsor, this first component can be named as **Sponsor's Goodwill and Network**. Sponsor's expertise in managing money, sponsor has a well developed research wing and sponsor's past performance in terms of risk and return load positively and quite highly on the second factor. These factors relate to the management of risk and return by the

sponsor. In fact, presence of a developed research wing also facilitates risk return management. Hence, this component can be named as **Sponsor's Fund Management Skills.**

Third Part

In the Table 1.1, the null hypothesis that each of the identified, sponsor-related and investor-service-related features follows normal distribution in the population is tested, using the Kolmogorov-Smirnov Test and the Shapiro-Wilk Test. Since the p value for each of them is <0.001, the null hypothesis is rejected, indicating that those do not follow normal distribution.

Table 1.1

Tests of Normality						
	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Sponsor's goodwill and network	.121	160	.000	.951	160	.000
Sponsor's fund management skills	.098	160	.001	.953	160	.000
Investment-and performance-related disclosures	.145	160	.000	.920	160	.000
Return-related disclosures	.104	160	.000	.923	160	.000
Redressal of problems	.098	160	.001	.946	160	.000
Other disclosures	.106	160	.000	.959	160	.000

a. Lilliefors Significance Correction

Fourth Part
Non-parametric Tests
Since the normality assumptions are not satisfied for the above dependent variables, the researchers have used the non-parametric test, i.e., the Mann-Whitney U Test for examining the differences in the mean values of the independent groups. The Mann-Whitney U Test is used to compare the differences between two independent groups on a continuous or ordinal dependent variable.

Table1 (I)
Ranks

Professional Qualification		N	Mean Rank	Sum of Ranks
Sponsor's goodwill and network	Chartered Accountant	118	75.01	8851.50
	Cost & Management Accountant	42	95.92	4028.50
	Total	160		
Sponsor's fund management skills	Chartered Accountant	118	79.67	9400.50
	Cost & Management Accountant	42	82.85	3479.50
	Total	160		

Source: worked out by using the SPSS (version20)
a. Grouping Variable: Professional Qualification

Table 1 (A) Test Statistics[a]

	Sponsor's goodwill and network	Sponsor's fund management skills
Mann-Whitney U	1830.500	2379.500
Asymp. Sig. (2-tailed)	.012	.702

Source: worked out by using the SPSS (version 20)

a. Grouping Variable: Professional Qualification

From the Table 1 (A), it is seen that the p value for Sponsor's goodwill and network is less than 0.05, using the *Mann-Whitney U Test*. This means that there is significant variation in this fund-sponsor related feature across professional qualification. This can also be explained from the Table 1 (I) where it is seen that the mean $(\overline{x})$ rank of this sponsor-related feature varies across professional qualification. The mean rank for Sponsor's goodwill and network is highest for the Cost and Management Accountants.

$(\overline{x})$

Table 1 (II) Ranks

Professional Qualification		N	Mean Rank	Sum of Ranks
Investment-and performance-related disclosures	Chartered Accountant	118	87.14	10283.00
	Cost & Management Accountant	42	61.83	2597.00
	Total	**160**		
Return-related disclosures	Chartered Accountant	118	77.57	9153.00
	Cost & Management Accountant	42	88.74	3727.00
	Total	**160**		
Redressal of problems	Chartered Accountant	118	82.48	9733.00
	Cost & Management Accountant	42	74.93	3147.00
	Total	**160**		
Other disclosures	Chartered Accountant	118	73.41	8662.00
	Cost & Management Accountant	42	100.43	4218.00
	Total	**160**		

Source: worked out by using the SPSS (version 20)

a. Grouping Variable: **Professional Qualification**

Table 1 (B) Test Statistics[a]

	Investment- and performance- related disclosures	Return-related disclosures	Redressal of problems	Other disclosures
Mann-Whitney U	1694.000	2132.000	2244.000	1641.000
Asymp. Sig. (2-tailed)	0.002	0.179	0.364	0.001

Source: worked out by using the SPSS (version 20)
a.Grouping Variable: Professional Qualification

From the Table1 (B), it is seen that the p value for two identified uncorrelated investor-service-related features is less than equal to 0.05, using the Mann-Whitney U Test. This means that there is significant variation in these investor-service-related features across professional qualification. This can also be explained from the Table 1 (II) where it is seen that the mean ranks of these investor-service-related features vary across professional qualification. The mean rank for Investment and performance related disclosures is highest for the Chartered Accountants and for the other disclosures it is highest for the Cost and Management Accountants.

Table 1 (III) Ranks

Occupation		N	Mean Rank	Sum of Ranks
Sponsor's goodwill and network	In Service	89	81.89	7288.00
	In Practice	71	78.76	5592.00
	Total	160		
Sponsor's fund management skills	In Service	89	79.08	7038.00
	In Practice	71	82.28	5842.00
	Total	160		

Source: worked out by using the SPSS (version 20)
a. Grouping Variable: Occupation

Table 1 (C) Test Statistics[a]

	Sponsor's goodwill and network	Sponsor's fund management skills
Mann-Whitney U	3036.000	3033.000
Asymp. Sig. (2-tailed)	0.671	0.663

Source: worked out by using the SPSS (version 20)
a. Grouping Variable: Occupation

From the Table 1 (C), it is seen that the p value for both the identified uncorrelated sponsor-related features is greater than 0.05, using the Mann-Whitney U Test.

This means that there is no statistically significant variation in these sponsor-related features across occupation.

Table 1 (IV) Ranks

Occupation		N	Mean Rank	Sum of Ranks
Investment-and perfor-mance- related disclosures	In Service	89	80.48	7162.50
	In Practice	71	80.53	5717.50
	Total	**160**		
Return-related disclosures	In Service	89	96.51	8589.50
	In Practice	71	60.43	4290.50
	Total	**160**		
Redressal of problems	In Service	89	69.54	6189.50
	In Practice	71	94.23	6690.50
	Total	**160**		
Other disclosures	In Service	89	81.50	7253.50
	In Practice	71	79.25	5626.50
	Total	**160**		

Source: worked out by using the SPSS (version 20)
a. Grouping Variable: Occupation

$(\overline{x})$

Table 1 (D) Test Statistics[a]

	Investment-and performance-related disclosures	Return-related disclosures	Redressal of problems	Other disclosures
Mann-Whitney U	3157.500	1734.500	2184.500	3070.500
Asymp. Sig. (2-tailed)	0.995	0.000	0.001	0.760

Source: worked out by using the *SPSS* (*version 20*)
a. Grouping Variable: Occupation

From the Table 1 (D), it is seen that the p value for two identified uncorrelated investor-service-related features is less than equal to 0.001, using the Mann-Whitney U Test. This means that there is significant variation in these investor-service-related features across occupation. This can also be explained from the

Table 1 (IV) where it is seen that the mean ranks of these investor-service-related features vary across occupation. The mean rank for return-related disclosures is higher for professional accountants in service and for redressal of problems it is higher for the professional accountants in practice.

Table 1 (V) Ranks

Have you ever offered Financial Advice in Professional or any other Capacity to others?		N	Mean Rank	Sum of Ranks
Sponsor's Goodwill and Network	**Yes**	**138**	**84.55**	**11668.50**
	No	**22**	**55.07**	**1211.50**
	Total	**160**		
Sponsor's Fund Management Skills	Yes	138	77.11	10640.50
	No	22	101.80	2239.50
	Total	**160**		

Source: worked out by using the SPSS (Version 20)
A. Grouping Variable: Have You Ever Offered Financial Advice in Professional or any Other Capacity to Others?

Table 1(E) Test Statistics[a]

	Sponsor's goodwill and network	Sponsor's fund management skills
Mann-Whitney U	958.500	1049.500
Asymp. Sig. (2-tailed)	0.005	0.020

Source: worked out by using the *SPSS (version 20)*
a. Grouping Variable: Have you ever offered financial advice in professional or any other capacity to others?

From the Table 1(E), it is seen that the p value for both the identified uncorrelated sponsor-related features is less than 0.05, using the Mann-Whitney U Test. This means that there is significant variation in these sponsor-related features across if the respondents have offered financial advice in professional or any other capacity to others. This can also be explained from the Table 1 (V) where it is seen that the mean ranks of these sponsor-related features vary significantly across the financial advice rendering capacity. The mean rank for sponsor's goodwill and network is high for professional accountants who have given financial advice in professional or other capacity and the mean rank for sponsor's fund management skills is higher for professional accountants who have not given professional advice in financial or other capacity.

Table1 (VI) Ranks

Have you ever offered Financial Advice in Professional or any other Capacity to others?		N	Mean Rank	Sum of Ranks
Investment-and performance-related disclosures	yes	138	80.22	11070.00
	No	22	82.27	1810.00
	Total	**160**		
Return-related disclosures	yes	138	75.92	10477.00
	No	22	109.23	2403.00
	Total	**160**		
Redressal of problems	yes	138	82.97	11450.00
	No	22	65.00	1430.00
	Total	**160**		
Other disclosures	yes	138	79.74	11004.00
	No	22	85.27	1876.00
	Total	**160**		

Source: Worked out by using the *spss* (*version20*)
A. Grouping variable: Have you ever offered financial advice in professional or any other capacity to others?

Table1 (F) Test Statistics[a]

	Investment-and performance-related disclosures	Return-related disclosures	Redressal of problems	Other disclosures
Mann-Whitney U	1479.000	886.000	1177.000	1413.000
Asymp. Sig. (2-tailed)	0.847	0.002	0.091	0.603

Source: worked out by using the SPSS (version20)
a. Grouping Variable: Have you ever offered financial advice in professional or any other capacity to others?

From the Table 1(F), it is seen that the p value for one identified uncorrelated investor-service-related feature is less than 0.05, using the Mann-Whitney U Test. This means that there is a statistically significant variation in this investor-service related feature across if the respondents have offered financial advice in professional or any other capacity to others. This can also be

explained from the **Table 1(VI)** where it is seen that the mean rank of this investor-service-related feature varies across the financial advice rendering function. The mean rank for return-related disclosures is high for professional accountants who have not given financial advice in professional or other capacity.

Concluding Observations

The concluding observations of the study based on the empirical survey and its findings are presented below.

1. **Investment and performance-related disclosures, return-related disclosures, redressal of problems and other disclosures** are the significant investor-service related features which affect the selection of mutual funds and schemes thereof.

2. **Sponsor's goodwill** and **network** and **sponsor's fund management skills** are the major fund-sponsor-related features which affect the selection of mutual funds and schemes thereof.

3. There is a significant variation in the perception of the respondents vis-a-vis one **sponsor-related feature** across **professional qualification.** Cost and management accountants perceive sponsor's goodwill and network as the most significant sponsor-related feature influencing their investment decisions.

   There is a significant variation in the perception of the respondents vis-a-vis some **investor-service-related** features across **professional qualification.** Whereas the chartered

accountants perceive the investment and performance related disclosures as the most significant investor-service-related feature, the cost and management accountants consider other disclosures as the most significant one.

4. There is no significant variation in the perception of the respondents vis-a-vis **sponsor-related** features across **occupation**.

   There is a significant variation in the perception of the respondents vis-a-vis some **investor-service-related** features across **occupation**. Whereas professional accountants in service perceive return-related disclosures as the primary investor-service-related feature influencing their investment decisions, professional accountants in practice perceive redressal of problems as the most important one.

5. There is a significant variation in the perception of the respondents vis-a-vis the **sponsor-related** features across the **financial advice rendering capacity of the professional accountants**. Professional accountants who have given financial advice in professional or other capacity perceive sponsor's goodwill and network as the most significant factor influencing investment decisions and professional accountants who have not given professional advice in financial or other capacity perceive sponsor's fund management skills as the primary factor.

There is a significant variation in the perception of the respondent vis-a-vis the **investor-service-related** disclosures across the **financial advice rendering capacity of the professional accountants.** Professional accountants who have not given financial advice in professional or other capacity perceive the return-related disclosures as the most significant investor-service-related feature influencing their investment decisions.

Recommendations

1. Regarding the investor-related-services, fund houses must strictly follow the mandated disclosures for transparency and must provide due care to redressal of investors' problems.

2. Sponsors' goodwill and network influence investors' investment decisions to a great extent. Thus, the fund sponsors must be careful about their mode of operation.

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