

The Influence of Expert Ratings on Mutual Fund Selection



सिद्धिमूलं प्रबन्धनम्
भा. प्र. सं. इन्दौर
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By

Gary H. D'costa

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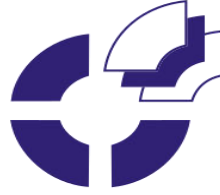
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THESIS ADVISORY COMMITTEE

PROF. JAYASIMHA K.R.

[CHAIRMAN]

PROF. RAJENDRA V. NARGUNDKAR

[MEMBER]

PROF. SUBIN SUDHIR

[MEMBER]

Abstract

How do mutual fund buyers select mutual funds? In this study, we narrow down our world view to investigate the influence of mutual fund ratings on investors evaluation of the fund. Using an experimental method, we look into the impact of ratings on financial decision-making. The idea is to show that product framing in terms of the rating (positive/negative/no rating) impacts investors risk perception and product evaluation. We also check if financial products are perceived significantly lower for products whose rating is framed negatively and higher for those whose rating is framed positively versus un-rated products. Also, the perception of risk is expected to be higher for products that are negatively framed and lower for products that are positively framed. Also, the mediating effect of risk on product evaluations and ratings is examined. Lastly, the moderating effect of vulnerability to persuasive information and individuals' expertise on this relationship is studied. As ratings have a crucial impact on product evaluations, the results of this study are important for a company's marketing strategy.

Keywords: mutual fund ratings, financial decision-making, product framing, risk perception, product evaluation

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