INVESTORS’ AND CLIENTS’ PERCEPTION ON QUALITY DIMENSIONS OF INDIAN CREDIT RATING AGENCIES

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ABSTRACT

The Credit rating is used by the investors and companies for the investment and capital structuring plans respectively. But in a contrary, often, the financial scandals and economic fluctuations put a collective blame on the corporate gatekeepers who failed to reveal or up to an extent to predict the situations when the users think it is their duty to guide the investors. Moreover the issues as imperfect competition, low exposure to litigation, change in payment structure and reduction in reputational capital were contributed for the assumption of failure of corporate gatekeepers. Hence, this situation highlights the relevance of this study on “perception on quality of credit rating”. The researcher used the sample respondents from the investors and clients of rating agency to study the difference in the perception on the rating quality as who are the main capital market participants and concludes with a recommendation that the credit rating agencies should try to reduce the conflict of interest in their services and more transparency in their rating methodology to improve the quality of credit rating services.

KEY WORDS: Credit Rating Service, Perceived Quality, RATQUAL Model, Quality Dimensions.

REFERENCES


