A DISCRIMINANT ANALYSIS OF THE INVESTORS’ AND CLIENTS’ PERCEPTION ON CREDIT RATING SERVICE QUALITY

*DR. M.SUMATHY AND **PREEMA ROSE NICHLAVOSE

*ASSOCIATE PROFESSOR & RESEARCH GUIDE, DEPARTMENT OF COMMERCE, BHARATHIAR UNIVERSITY, COIMBATORE, TAMILNADU.

** RESEARCH SCHOLAR, DEPARTMENT OF COMMERCE, BHARATHIAR UNIVERSITY, COIMBATORE, TAMILNADU.

ABSTRACT

The Credit Rating Agency plays a vital role in the financial market by bringing all the detailed financial information about the companies and countries for information symmetry. But the financial scandals and business failures shows that the watch dogs, rating agencies, could not reveal the true economic situations when it was their duty to lessen the information asymmetry between the investors and business managers. Hence, in the present study, the researcher made an attempt to identify the rating quality factors of credit rating services using the RATEQUAL Model (Einig, 2008) to differentiate the perception of the investors and clients. The study concludes with suggestions to eliminate the conflict of interest in credit rating services and concentrate more on the methodology, internal process and transparency to improve their rating quality.

KEY WORDS: RATEQUAL model, Perceived Quality, Credit Rating

REFERENCES


