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The Attitudes of Accountants Towards Mutual Funds in Kuwait

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Abstract

The purpose of the study is to find out the attitude of accountants towards Mutual Funds (MFs) and explore the responsible factors for picking them as an investment option. To achieve this purpose, 120 questionnaires have been distributed to random accountants investing in MFs in Kuwait. A total of 100 questionnaires were returned: resulting in an 83% usable response rate. Descriptive statistics which involve the mean, standard deviation and the Mann-Whitney U test are employed to examine the participants' answers. The findings of the study revealed that relatives and friends as the primary sources of information to accountants followed by recommendations from brokers and the internet. It also revealed that accountants ranked lack of awareness as the main problems faced selecting MFs and ranked regular income and risk involved as the main factors behind investing in MFs. This study is useful in providing evidence in favor of investors and has implications for both practitioners and academicians.

Keywords: Mutual Fund, Investment, Accountants' Preference, Kuwait

JEL Classification: G3, G10, G23

Introduction

The attitudes of investors towards Mutual Funds (MFs) have been discussed intensively in finance literature. They are influenced by many variables such as return, liquidity and risk. The behavior of investors focuses on how investors interpret information to make investment decisions.

Several studies have been undertaken to examine the attitudes of investors towards MFs in several places and showed inconclusive evidence. They showed that last performance of the MFs, size and the cost of transaction are the main factors behind investing in MFs, while others showed that risk and return, liquidity of assets and transparency are the main significant factors behind investing in MFs. Other studies demonstrated that investors' demographic factors and tax benefits are the main factors behind investing in MFs. The finance literature also documented that professional management and reputation of the fund play significant role in determining investment decision in MFs. It is evident that there are few empirical studies in the GCC region. This suggests the need for additional empirical testing for Kuwait. Therefore, current research will be undertaken. Understanding the factors behind investing in MFs is of interest to many parties, namely fund managers, investors, policy makers and academicians. It might help fund managers to identify the factors influencing the performance of MFs to better understand economic factors, expectations and choices. The study might assist investors to revise their asset allocation approaches by underlining the dominant factors and the ensuing actual market returns. It might help policy makers who seek to boost investment, industry and consequently domestic

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investments by formulating policies to direct investments towards the critical asset classes. Moreover, the study might be interesting for academicians as it provides empirical evidence in the GCC region against theoretical factors expected to affect MFs' performance in the industry. The remainder of the study is organized as follows. The following part presents a brief review of related literature and research hypotheses. Data collection and study methodology are clarified in part three. While empirical outcomes are discussed in the fourth part, a conclusion is offered in the final part.

Related Literature and Previous Studies

MFs industry has expanded rapidly and obtained a lot of reputation (Chakraborty and Dugal, 2013). They are special types of institutions which act as an investment intermediary where investors get steady returns, and a low risk (Neelima and Rao, 2016). MFs pool the money of people with certain investment goals by issuing units to the investors in accordance with quantum of money invested by them (Singh, 2012). According to El-Masry and El-Mosallamy (2016) the industry of MFs can be expressed as a competitive market that has experienced important growth. MFs have opened new vistas to millions of small investors by taking investment to their doorstep (Mehta and Shah, 2012). MFs are the best guide for investors who do not have enough time, expertise and resources (Jain and Rawal, 2012).

Several studies have been undertaken to examine the attitudes of individuals towards MFs (see for example, **Malaysia:** Ramasamy and Yeung, 2003; Abdullah, Hassan and Mohamad, 2007; Jamaludin, Smith and Gerrans, 2012; Jamaludin, Smith and Gerrans, 2013; Ul-Hameeda, Imranb, Maqboolc, Ahmedc and Azeemd, 2018. **Iran:** Yahyazadehf, Zali and Shababi, 2009; Amiri and Lafuente, 2016; Roodposhti, Abadi and Zareie, 2016. **India:** Vijayalakshmi and Jayasathya, 2009; Singh, 2012; Kothari and Mindargi, 2013; Agrawal and Jain, 2013; Chakraborty and Dugal, 2013; Kannan and Premsundar, 2014; Chawla, 2014; Kaur and Kaushik, 2016; Mane, 2016; Subbalakshmi and Balachandar, 2017; Sineni and Reddy, 2017. **Islamic Funds:** Hoepner, Rammal and Rezec, 2011. **Bangladesh:** Farzana, Rahman and Mazumder, 2012; Begum and Rahman, 2016. **Pakistan:** Awan and Arshad, 2012; Ahmad, 2017. **Kenya:** Jagongo and Mutswenje, 2014. **Sweden:** Kopsch, Song and Wilhelmsson, 2015. **China:** Kiyamaz, 2015. **Ghana:** Vitor, Aveh, Donkor and Addai, 2015. **Iran, Malaysia, Turkey and US:** Amiri and Lafuente, 2016). The following section reviews in brief these studies.

Ramasamy and Yeung (2003) attempted to identify the factors that are important when selecting MFs among financial advisors in Malaysia. They found that past performance, the cost of transactions and the size of funds are the three most significant factors in selecting MFs. Another study conducted by Abdullah *et al.*; (2007) who explored the differences in terms of the performance between Islamic and conventional MFs in Malaysian capital market. They found that Islamic funds performed better than the conventional funds during bearish economic trends while, conventional funds showed better performance than Islamic funds during bullish economic conditions. They concluded that fund managers are unable to correctly identify good bargain stocks and to forecast the price movements of the general market. Also, Jamaludin *et al.*; (2012) examined whether there is a relationship between religious affiliation and choice of fund. They found that the ranking of MFs selection criteria differs between Muslim and non-Muslim members. They also found that both types of religious group members also consider the overall reputation of the fund as an important criterion in selecting MFs.

Additionally, Jamaludin *et al.*; (2013) added that past performance and the fund's commitment to Islamic principles consider the most important selection criteria among non-Muslim and

Muslim members respectively. Moreover, Ul-Hameeda *et al.*; (2018) distributed 300 questionnaires among the individual investors to examine the various factors influencing on people to invest in MFs. They found that risk and return, liquidity of assets, demographic factors (gender, material status and age), convenience, reduction in transaction cost, transparency and tax benefits are the main significant relationship with investment in MFs. They observed that the male individuals are more likely to invest in MFs as compared with female individual investors. They demonstrated that increase in age increased the intention to invest in MFs.

Yahyazadehfar *et al.* (2009) attempted to determine factors affecting investors' financial behavior in Tehran Stock Exchange. They found that due to the lack of information and enough financial experts, most of the decisions in Tehran stock exchange are made based on psychological and political factors. Amiri and Lafuente (2016) added that most Iranian investors have a lack professional knowledge of optimal investment; they can deposit their capital in such funds that are managed by professionals. Also, Roodposhti *et al.*; (2016) examined the role of financial literacy of investors in evaluating the risk disclosure of promotion mix by mutual investment funds in Iran. They found that financial literacy of investors effects the risk disclosure of promotion mix by MFs in Iran. They also observed that the financial literacy of investors reduces uncertainty of future decisions and increases predictability of investment policies in financial markets. They concluded that financial literacy of investor leads to predictable risk and return among those who are interested in investment in Iranian MFs.

Vijayalakshmi and Jayasathya (2009) examined the factors influencing the selection of MFs company. They found that the most important factors to consider before investing in MFs are the objective of the scheme, past performance of a research team, and services provided by the company. Also, Singh (2012) examined the attitudes of investors towards MFs as an investment option in India. He found that most of the respondents lack awareness about the various functions of MFs. He also observed that two demographic factors like occupation and age have no impact on the attitude of investors towards MFs. Moreover, Kothari and Mindargi (2013) added that people with middle income groups are ready to bear the risk and attractiveness in this market. They observed that most participants have invested in open-ended schemes and that they want higher returns on their investment rather than investing in closed-ended schemes in MFs. They provided evidence that many investors prefer short term duration which indicates the investors are not ready to invest in long term period due to several risks associated with long term duration of investment. Agrawal and Jain (2013) demonstrated that 46% of the investors' main measure for investment is return followed by tax planning (26%), and safety (22%). It implies that investors generally invest their money for the return.

Another study conducted by Chakraborty and Dugal (2013) examined the investment pattern of MFs investors. They found that safety and liquidity are the most influencing factors in inducing most of the investors to opt for the MFs schemes. They also found that past return and tax savings are major determinants of the choice. They observed that professional management and the reputation of the fund are also among important determinants in influencing the investment decision. Kannan and Premsundar (2014) examined the attitude of brokers towards MFs investments. They found that small investments were more suitable for investing in MFs according to the brokers. They found that factors such education, age and experience have no impact on the broker's attitudes towards investment in MFs. Chawla (2014) argued that there are two factors that are considered important by investors while investing in MFs, namely credibility and miscellaneous features of funds.

Mishra (2015) analyzed perception of investors towards MFs. He found the important factor

regarding the perception of investors about MFs is return. He also found that small investors are favorable to the perception about tax returns and investments whereas large investors these factors are future and return.

In addition, Kaur and Kaushik (2016) identified the determinants of investment behavior of investors towards MFs. They found that investment behavior could be explained with awareness, perception and socioeconomic characteristics of individual investors. They also found that socioeconomic characteristics such as age, gender, occupation, income and education of investors have an impact on the awareness about MFs. Mane (2016) stated that the investors are hesitant to invest in new age investments like MFs and prefer to in less riskier investment options like recurring deposits. Another study was achieved by Subbalakshmi and Balachandar (2017) who examined the attitudes of investors towards MFs. They found that there is a lack of confidence and reliability towards MFs. They recommended that investors need to be educated and motivated about MFs to invest in them. Additionally, Sineni and Reddy (2017) identified the rural and semi-urban investor's perceptions on MFs and to analyze the satisfaction level of investors. They found only 30% of the participants are fully aware of the concepts, terminologies and different types of MFs schemes.

Hoepner *et al.*; (2011) examined the financial performance of 265 Islamic equity funds from twenty countries. They found that Islamic funds present superior learning in more developed Islamic financial markets. They showed that funds benefit from closeness to Islamic financial centers, as this seems to allow them to develop more expertise. It is likely that Islamic funds appear to have a financial advantage in Muslim economies. They observed that while Islamic funds from developed markets are competitive to international equity benchmarks, funds from particularly Western nations with less Islamic assets tend to significantly underperform.

Farzana *et al.* (2012) examined investors' awareness about capital market and the services provided by the brokerage houses. They found that investors are aware nowadays and have a positive attitude towards the capital market. They also found that the investors are investing after wisely examining all market-related issues. Moreover, Begum and Rahman (2016) attempted to analyze the investors' preference towards MFs and factors affecting the investors' preference towards MFs. They found that demographic factors like income, gender and savings have significant impact on the investor's attitude towards MFs investment. They also observed that most of the investors prefer MFs for the returns and feel that it is a secure place of investment. They recommended that planners should encourage private firms to raise funds through MFs and to create awareness among the market participants.

Awan and Arshad (2012) examined the factors that investors value while making investment decisions regarding MFs. They found that firm services towards investors have greater impact on decision making. They also found that investors are overconfident in terms of how they have chosen the best scheme. They observed that investors consider that losses in investment are due to incorrect recommendations of family and friends and profits are due to better result of investing firms. Furthermore, Ahmad (2017) examined the factors that affect individual investor behavior in the financial markets. He found that the most motivating factors are expected corporate earnings, stock marketability, dividends paid, condition of financial statements, past performance of the firm stock, firm status in industry and broker recommendations. He also found that the least motivating factors are religious reasons, environmental record, political party affiliation, perceived ethics of the firm and family member opinions.

Jagongo and Mutswenje (2014) examined the factors influencing investment decisions. They found that the most important factors that affect individual investment decisions are expected

corporate earnings, reputation of the firm, firm's status in industry, past performance firm's stock, profit and condition of statement, price per share, feeling on the economy and expected dividend by investors.

Kopsch *et al.*; (2015) examined the determinants of aggregate fund flows to both equity and hybrid MFs. They found new financial variables that have predictive power in determining MFs flows, namely, market fear, exchange rate, households' expectation regarding inflation as well as outflows from mutual bond funds.

Kiyamaz (2015) examined the performance of Chinese MFs during the period of January 2000 to July 2013. He revealed that Chinese funds generate positive results for their investors. He also showed that the highest return is provided with aggressive allocation funds followed by moderately aggressive allocation funds. He observed that older funds, high price to book ratio, funds with higher fees, and smaller funds continue to achieve better than other funds.

Vitor *et al.*; (2015) used a well-structured questionnaire to examine factors influencing teachers' MFs investment decision. They found most of the participants are conscious of MFs as an investment option and 50% of them got to know if it through the advertisement. They observed that family size, marital status, sources of income and financial education have a positive association with MFs investment decision. They recommended that the MFs investment firms should redesign MFs products to suit teachers in general for it to be more attractive to attract them to invest in MFs.

Amiri and Lafuente (2016) examined the main criteria of domestic investors in MFs selection behavior. They found that there are 7 major factors that affect different types of investors in MFs selection behavior. These contain inherent features of the fund, image reputation of fund, performance, popularity, transparency and non-cash benefits.

As far as the GCC region is concerned, few studies have been conducted to examine the attitudes of investors towards MFs (see for example, **Kuwait:** Institute of Banking Studies, 2007. **Oman:** Khan, Jamil and Uddin, 2016. **Saudi Arabia:** El-Masry and El-Mosallamy, 2016; Al Rahahleh and Bhatti, 2017). The following section reviews in brief these studies.

Institute of Banking Studies (2007) conducted a study of the investor's attitude toward MFs. The analysis showed that males give more importance for independent financial advice than females and fund's reputation was valued more by private sector employees. The findings demonstrated that non-Arabs gave higher significance to diversification of funds and to reputation of fund manager than all other parties. The study concluded that the marketing focus should shift to Kuwaiti females as well as non-Kuwaitis with plentiful savings for investment.

El-Masry and El-Mosallamy (2016) examined the performance of 21 Saudi MFs using the CAPM and downside CAPM D-CAPM models over the period 2005-2011. They found that the downside beta is more relevant in terms of its higher explanatory power than the traditional beta. They also found that all funds have either negative values for alpha or positive insignificant values, suggesting that funds are unable to beat the market and recognize superior returns on a consistent manner. Also, Al Rahahleh and Bhatti (2017) examined the performance of Saudi equity MFs. They found that locally focused equity MFs in Saudi Arabia significantly outperform their benchmark. They also showed that there is no evidence to show that locally focused equity funds outperform their benchmark during either the high- or the medium-volatility period.

Khan *et al.*; (2016) examined the performance of MFs in Oman based on risk and return criteria. They found that MFs during the last five years have been performing consistently and earning good returns for its investors. They observed that the majority of MFs have a positive Jensen Alpha ratio suggesting good performance even in the uncertain environment leading to higher

risk scenario. They concluded that MFs still remain a safe bet for most of the retail investors and it is one option worth looking into for future investment portfolio diversification and formulation. It is evident that few empirical studies have been conducted to examine the attitudes of individuals towards MFs in GCC region despite its significant. This suggests the need for additional empirical testing. Therefore, current research is undertaken. The following hypotheses will be used to explore the attitudes of accountants towards MFs.

H₁: Relatives and friends of accountants are the main sources of information to invest in MFs in Kuwait.

H₂: Lack of awareness is the main problem to invest in MFs in Kuwait.

H₃: Diversification is the main factor behind investing in MFs

Data Collection and Study Methodology

120 structured questionnaires were distributed to accountants operating in firms listed in KSE during the period between October and December 2024, 100 of the distributed questionnaires returned fulfilled, ensuing more than 83% usable response rate. The questionnaire was split into two major sections. While section one of the questionnaire requests background information about the respondents in the survey, section two has questions about attitudes of accountant towards MFs in Kuwait, the respondents were requested to allocate their level of agreements on a 5-Likert scale where 1 represents strongly disagree and 5 represents strongly agree.

It is worth to be mentioned that all variables come from previous questionnaires such as Ramasamy and Yeung (2003); Jamaludin, Smith and Gerrans (2012) in Malaysia. Yahyazadehfar, Zali and Shababi (2009); Roodposhti, Abadi and Zareie (2016) in Iran. Vijayalakshmi and Jayasathya (2009); Jain and Rawal (2012); Mehta and Shah (2012); Singh (2012), Kothari and Mindargi (2013); Kannan and Premsundar (2014); Chawla (2014); Velmurugan, Selvam and Abdul Nazar, (2015); Mishra (2015); Neelima and Rao (2016) in India. Jagongo and Mutswenje (2014) in Kenya. Vitor, Aveh, Donkor and Addai (2015) in Ghana. Begum and Rahman (2016) in Bangladesh. Ahmad (2017); Ul-Hameeda, Imranb, Maqboolc, Ahmedc and Azeemd (2018) in Pakistan. Moreover, the high response rate can be attributed to the self-administered method contacted in delivering the questionnaires.

To check internal consistency of the participants' answers, Cronbach's Alpha coefficient of reliability test was conducted and appeared to be 0.83. This implies that the answers of participants are high internal consistency. It is worth mentioning that in social science research, a reliability coefficient is considered acceptable if it is more than 0.70.

Descriptive statistics are also applied to examine different portions of accountants. To check whether the participants' nationality, age, gender and work experience affect their extent of agreement to these items, the Mann-Whitney U test is executed. The test is a non-parametric alternative to independent-samples test. It tests the difference between two independent groups on ordinal/ continuous measure. So, instead of comparing the means of the two groups, it compares the medians and estimates whether the rankings for the two groups vary significantly.

Findings and Analysis

Participants' Background

The first part of the questionnaire requested for background data about the respondents including: nationality, age, gender, marital status and academic qualifications in Kuwait. A rapid summary of the respondents' background is presented in table (1).

Table (1): Respondents background

Nationality	#	%	Gender	#	%
Kuwaiti	85	85	Male	90	90
Non-Kuwaiti	15	15	Female	10	10
Total	100	100	Total	100	100
Age		Work experience			
less than 25	10	10	Less than 3 years	30	30
from 25-35	50	50	From 3 to 7 years	60	60
from 36-50	35	35	From 7 to 10 years	8	8
More than 50	5	5	More than 10 years	2	2
Total	100	100	Total	100	100
Qualification			Occupation		
Bachelor	75	75	Assistant auditor	12	12
Masters	20	20	Associate auditor	30	30
PhD	5	5	Auditor	25	25
Total	100	100	Senior auditor	15	15
Marital Status			Principal auditor	13	13
Single	10	10	Chief auditor	5	5
Married	90	90	Total	100	100
Total	100	100			

The table shows that many of the respondents are males (90%), and the large number of the respondents possess bachelor's degree in accounting (75%). The table also indicates that more than 60% of the ages of respondents are less than 35 years and most of them are married (90%). The variety of the respondents together with their academic qualifications and age provide integrity to the consequence of the questionnaire analysis. Finally, in terms of type of occupation, out of total 100 accountants of respondents, Assistant auditors (12%), associate auditors (30%), auditors (25%), senior auditors (15%), principal auditors (13%) and chief auditors (5%).

Sources of Information

The respondents were given 6 main sources of information and asked for their opinion to assess these sources when making investment decision in MFs in Kuwait.

Table 2: The extent of agreement the participants' attaches to sources of information

Item	N	Mean	Std. Dev.	Rank
Relatives and Friends	100	4.10	0.811	1
Brokers	100	4.00	0.815	2
Internet	100	3.95	0.886	3
Newspaper and Magazine	100	3.65	0.910	4
Television	100	3.55	0.950	5
Radio	100	3.10	0.990	6

The results of their answers are summarized in table 2. It is evident from the table that the respondents either strongly agreed or agreed with almost all variables listed in the questionnaire as reflected by the mean and standard deviation. This suggests that almost all sources of information are significant to accountants. However, the respondents ranked relatives and friends as the primary sources of information followed by recommendations from brokers and the internet. This confirms that relatives and friends of accountants are the main sources of information to invest in MFs in Kuwait. It reflects the strong ties among members, families and relatives in Kuwait society, and everyone is ready to share information with others.

The findings are online with Unnamalai (2016) study who showed that friends and relatives are the main source of information to investors in MFs. However, this is inconsistent with the results of Kalaiselvi (2016) who observed most investors in India depends upon newspaper and magazine in investing in MFs. Furthermore, Kothari and Mindargi (2013) observed that financial advisors and advertisements in different media are the main sources of information to investors about MFs.

Problems Faced in Investing in MFs

The respondents were given eight main problems faced investors in MFs and requested for their opinion to assess these problems when making investment decision in MFs in Kuwait. The outcomes of their answers are summarized in table 3. It has appeared from the table that the participants either strongly agreed or agreed with almost all variables listed in the questionnaire as reflected by the mean and standard deviation.

Table 3: The extent of agreement the participants' attaches to problems faced in investing in MFs

Item	N	Mean	Std. Dev.	Rank
Lack of awareness	100	4.50	0.622	1
less liquidity	100	4.30	0.666	2
Difficult to select	100	4.11	0.701	3
Less secured	100	4.02	0.707	4
Too many formality	100	3.99	0.779	5
Low earnings	100	3.84	0.801	6
Slow growth	100	3.72	0.880	7
High fees and commission	100	3.20	0.901	8

The participants were ranked as lacking awareness, less liquidity and difficulty selecting mutual funds as the main problems they faced selecting MFs. Awareness is the knowledge about something that is well-known clearly to somebody Bishnoi and Bishnoi (2024). Thus, the study confirms that lack of awareness is the main problem to invest in MFs in Kuwait. According to Begum and Rahman (2016) awareness is the stock exchange responsibility to aware, educate and train participants in the market. On other hand Rathnamani (2013) showed that the fund manager should generate awareness among the investors about mutual funds. The findings are consistent with Singh (2012) study who reported that the awareness level of investors affects the selection of mutual fund investment. Moreover, Kalaiselvi (2016) and Mane (2016) demonstrated that lack of awareness of investors about MFs is the main problem to investors. The findings confirmed the results of other studies that revealed that lack of liquidity is considered one of the most important problems faced by investors in investing in MFs (Singh (2012); Chakraborty and Digal

Behind Investing in MFs

The participants were provided ten main factors behind investing in MFs and asked for their opinion to assess these variables when making investment decision in MFs in Kuwait. The results of their answers are summarized in table 4. It has been shown from the table that the participants either strongly agreed or agreed with almost all variables listed in the questionnaire as reflected by the mean and standard deviation.

Table 4: The extent of agreement the participants' attaches to factors behind investing in MFs

Item	N	Mean	Std. Dev.	Rank
Regular income	100	4.70	0.711	1
Risk involved	100	4.60	0.715	2
Safety & security	100	4.25	0.802	3
Affordability	100	4.15	0.844	4
Diversification	100	4.00	0.888	5
High return	100	3.90	0.901	6
Transparency	100	3.85	0.905	7
Flexibility	100	3.80	0.910	8
Liquidity of fund	100	3.70	0.944	9
Tax saving	100	3.10	0.966	10

The table showed that accountants ranked regular income as the first, the risk involved is ranked second and safety and security were ranked third. Therefore, the study rejected the third hypothesis that diversification is the main factor behind investing in MFs. It is well known that knowing that you have a regular cash flow helps as a financial and psychological barrier against hasty selling and decisions. It minimizes the financial risk and avoids delays in paying the financial obligations. Thus, investors are viewing mutual funds to give a regular income stream in the form of monthly or quarterly income.

The findings are consistent with the findings of Awan and Arshad (2012) study that observed that investors prefer to invest in MFs which have stable returns. The influence of regular income plays a significant role in investing in MFs (Vijayalakshmi and Jayasathya, 2009). According to Neelima and Rao (2016) MFs should generate quality schemes to face the investors' expectations. The outcomes are also consistent with other studies such as study conducted by Subbalakshmi and Balachandar (2017) that observed MFs are safe and no risk and Rathnamani (2013) provided evidence that investors in MFs in India are willing to carry moderate and low-level risk. It is worth mentioning that most investors are aware of the risk involved in MFs investment (Kalaiselvi, 2016). Moreover, Hili et al.; (2016) provided evidence that investing in MFs helps to reduce somewhat the exposure towards risks associated with liquidity, volatility and stability. However, the findings are inconsistent with Malla (2024) findings who observed that regular income and risk have little impact on the investors once they decided to invest in MFs.

The results of the study are online with the results of Chakraborty and Digal (2013) who revealed that safety is one of the most influencing factors in encouraging most of the investors to select MFs. Kannan and Premsundar (2014) stated that safety level which is close to bank deposits is the most important factor behind investing in MFs and Velmurugan et al, (2015) considered

safety factor is one of the most variables behind investing on MFs. On the other hand, Singh (2012) illustrated that the most attractive investors in MFs are liquidity, flexibility, transparency and affordability. Jamaludin et al.; (2013) argued that the past performance of the fund is one of the most important factors behind investing in MFs. Furthermore, Amiri and Lafuente (2016) revealed that the image reputation of fund considered one of the main factors behind investing in MFs.

Various variables have been developed in previous empirical research to explain factors behind investing in MFs. Several variables were taken place in the questionnaire, and the accountants were requested to state their level of agreement with each of them. A summary of the participants' replies is given in table 5.

Table 5: Factors behind investing in MFs- Kruskal Wallis test

Item	Nationality		Age		Gender		Work experience	
	χ^2	Sig.	χ^2	Sig.	χ^2	Sig.	χ^2	Sig.
Regular income	1.40	0.56	1.43	0.45	2.10	0.15	1.40	0.37
Risk involved	1.10	0.48	3.11	0.09	7.25	0.13	4.16	0.02
Safety & security	1.15	0.39	3.27	0.10	1.30	0.22	5.24	0.03
Affordability	1.81	0.74	1.28	0.25	1.10	0.25	1.12	0.42
Diversification	0.45	0.28	3.57	0.18	2.13	0.16	3.11	0.27
High return	1.75	0.56	1.43	0.45	2.10	0.15	4.40	0.03
Transparency	0.55	0.38	6.11	0.03	7.25	0.03	5.16	0.02
Flexibility	0.65	0.49	10.27	0.04	1.30	0.22	1.24	0.36
Liquidity of fund	1.80	0.74	3.28	0.25	1.10	0.25	1.12	0.42
Tax saving	0.85	0.29	10.2	0.04	1.30	0.22	1.24	0.36

The table shows that the participants attached the highest levels of agreement to variables such as diversification, transparency, flexibility and tax saving. What is interesting in table 5 is that the Kruskal Wallis test showed no significant differences in the participants' levels of agreement.

Conclusion

The current attempts to explore the attitudes of accountants towards MFs in Kuwait. To achieve this purpose, 120 questionnaires were distributed to individual investors and 100 returned, resulting in an 83% usable response rate. The study uses a modified questionnaire which had twenty-three questions. These twenty-three questions include three groups namely sources of information to select MFs, problems faced accountants towards MFs and factors behind investing MFs.

The result of the questionnaire demonstrates that accountants ranked relatives and friends as the primary sources of information followed by recommendations from brokers and the internet. It also showed that accountants ranked lack of awareness followed by less liquidity and difficulty selecting mutual funds as the main problems faced by selecting MFs. The most accountants are still confused about the MFs and have not shaped any attitude towards the MFs for investment objective. Moreover, the study

The accountants ranked regular income, risk involved and safety and security as the main factors behind investing in MFs. Finally, accountants agreed that factors behind investing in MFs in Kuwait.

It is suggested that the analysis may be repeated with the attitudes of investors toward MFs in

GCC. Furthermore, an attempt can also be made to study the risk factors involved in investment decisions on MFs.

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