UGSM-Monarch Business School
Doctoral Dissertation Proposal

The Demand for Mutual Funds: Strategic Analysis and Recommendations - A Case Study of Ghana

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1.0 INTRODUCTION

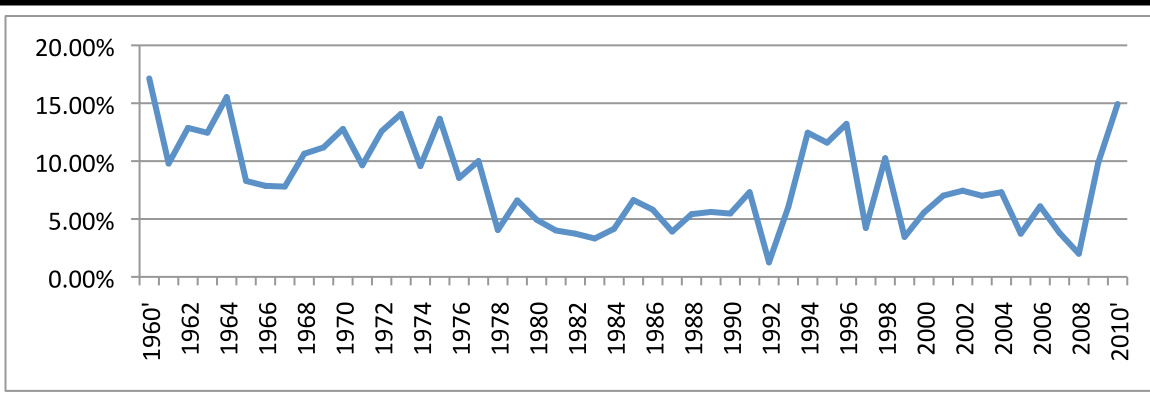
The private sector of an economy contributes to the growth of the national economy. The prosperity of a nation is also perceived to be enhanced through well-structured collaborations between public and private sectors of an economy, known as PPPs. In 2004-5 approximately 206 PPP contracts were signed worldwide involving US $52 billion in investments (PriceWaterHouseCoopers, 2005). PPPs have traditionally been employed for example in transport, energy and water but their use has recently been extended to IT services, accommodation, leisure facilities, prisons, military training, waste management, schools and hospitals.

In developing countries, PPP agreements have grown steadily since the 1990s. According to the World Bank's Private Participation in Infrastructure (PPI) database, 2,750 infrastructure projects involving private and public investment representing capital value of US $786 billion have been implemented in during the period of 1990-2003 (in 2002 constant dollars). Around 1,000 projects or 47% of the investment took place in Latin American and the Caribbean (LAC) countries where Chile and Mexico were pioneers in the use of PPPs (Lossa, 2007).

Approximately 9.1 million persons in Ghana are engaged in the informal sector (Social Security & National InsuranceTrust, 2005). Furthermore, 56% of this sector are involved in agriculture, predominantly practicing subsistence farming with most of them residing in the countryside while depending to a large extent on Rural Banks for the financing of their business operations (Ghana Statistical Service, 2010). The report further states that the failure of some of the Rural Banks in Ghana has compelled many countryside dwellers to shy away from saving and/or investing their monies in the banks with them preferring to stock huge sums under the proverbial pillow.

In many developing economies such Ghana, saving and investment are necessary engines for capital formation and economic growth. It can be argued that saving constitutes the basis for capital formation and capital formation constitutes a critical determinant of economic growth. Following this premise it is thus critical to assess the domestic savings of Ghana vis-à-vis the Gross Domestic Product of Ghana over a considerable period. The Gross Domestic Savings as a percentage of Gross Domestic Product in Ghana fell from 6.1% in 2006 to 2.0% in 2008 and then rose sharply to 8.73% in 2009, and then to 9.28% in 2010 (Figure 1).

FIGURE1:
Domestic Savings as a % of Gross Domestic Product
Ghana



Source: World Bank National Accounts Data, OECD National Accounts Data 2010

This trend could suggest that there is the possibility that rising levels of education of Ghanaians has improved. That is, it can be argued that by virtue of Ghanaians having attained higher levels of education there is the likelihood that most middle income people would have a greater propensity to save and invest as their disposable incomes increase during an improving working career. However, there is no data as yet as to show the savings culture has indeed transformed into private investments. Within the wealth industry it is perceived that many Ghanaians are now seeking long-term financial instruments that are safe and liquid but also provide the promise of high long-term returns (Statistical Service, Ghana, 2010).

According to the United Nations Development Program (UNDP) Human Development Report in 2011 Human Development Index (HDI), the Life expectancy of Ghanaians has increased by 11 years from 53.1 years in 1980 to 64.2 years in 2011. The report also reveals that Ghana has made giant strides in education, increasing its mean years of schooling from 3.4 in 1980 to 7.1 years in 2011. It is argued that these two improvements may influence the desire of investors for medium to long-term investment such as Mutual Funds in order to secure their retirement futures.

A further issue confronting the Ghanaian economy is the issue of poverty alleviation. In the effort to reduce the level of poverty in Ghana, the government employed a number of social intervention programs in 2001, such as the National Health Insurance Scheme, the Capitation Grant, and the School Feeding Program (Quartey, 2011). However, the social intervention programs have appeared not to be sustainable due to perceived politicization.

In its desire to boost the investment climate of Ghana, the government in 2005 passed legislation not to tax income earned from the Collective Investment Schemes. (Ghana) This incentive has contributed to the increase of investments in mutual funds albeit at a low rate. (Social Security & National Insurance Trust, 2010) In order to further increase the rate of investing in mutual funds it is argued that financial literacy must be mapped out by the Securities Industry Association of Ghana on investments and savings for corporate institutions and in outreach programs throughout the country.

Mutual funds offer a number of advantages to investors, particularly retail investors. One of the distinguishing features of mutual funds is a high level of operational transparency relative to other financial institutions, such as: banks, thrifts, insurance companies and pension funds, that also cater to the needs of households. (Fernando, Klapper, Sulla, & Vittas, 2003) Further, mutual funds offer advantages that include risk diversification and professional management at low cost coupled with high returns. Fernando et al, cited above, assert that unlike banks and insurance companies mutual funds do not assume credit and insurance risks and thus do not need to make subjective provisions against non-performing loans or to create actuarial reserves against future insurance claims.

To provide the average Ghanaian with the opportunity to create wealth and to contribute to the growth of the private sector the contemplated research attempts to determine the underlying causes and effects that would encourage a prospective investor to invest in medium to long-term investment vehicles such as mutual funds. In doing so it is believed that the contemplated research would thus aid fund managers to be better able to take strategic decisions to foster sustained growth of the investment industry.

2.0 THE RESEARCH QUESTION

The proposed research is also aimed at providing the Fund Manager the opportunity to design strategies to attract more subscribers of mutual funds so as to enlarge their investment portfolio. Also, the investor shall benefit from an array of mutual fund products that would provide long-term funding to meet their varied needs. The research will also provide scholastic literature for further research in the collective investment industry and micro-financing as a whole. The research question has been defined as follows:

> **Main ResearchQuestion**:
>
> "What are the predominant factors that influence the demand for mutual funds as seen from an investor's perspective within the confines of the existing Collective Investment Scheme of Ghana?"

The research will attempt to establish among other factors whether the introduction of legislation by the government of Ghana not to tax income generated from mutual fund schemes has had any meaningful positive impact on the demand for mutual fund schemes.

3.0 RELEVANCE OF THE PROPOSED RESEARCH

The main objective of the contemplated research is to identify the determinants of the demand for mutual funds and suggest an action plan that would sustain the growth of the mutual fund industry in Ghana. To examine the above issues, the contemplated research will focus on two key objectives as follows:

A. Objectives With Respect To The Policy Formulation**:**

1. Identify the features that attract investors to mutual funds;
2. Describe the scheme preference of investors;
3. Understand the savings preferences among investors;
4. Detect the sources of information that influence selection decision;
5. Study the relationship between macroeconomic factors and the demand for mutual funds

B. Objectives With Respect To Entrepreneurial Positioning:

1. To provide Fund Managers the opportunity to design custom-made products for segmented markets so as to meet the investment objectives of the varied needs of investors;
2. To enable the Fund Manager to map out marketing strategies for their clientele;
3. To enable Fund Managers and the Securities & Exchange Commission to deliberate on a regulatory framework that could absorb new products and services;

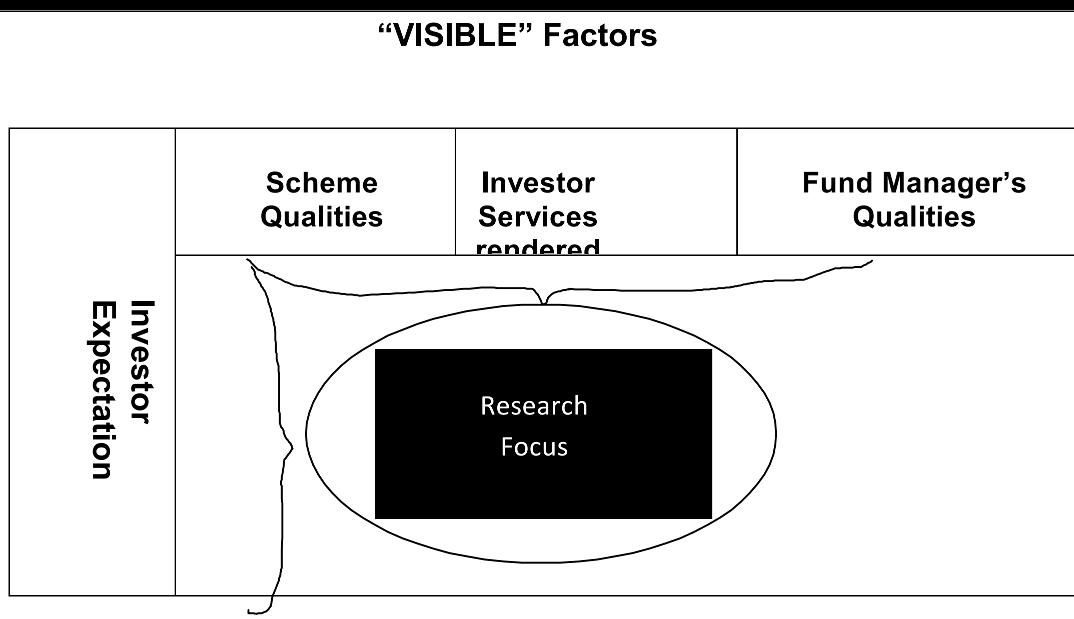
The majority of research literature on mutual funds focus on microeconomic issues, such as the investment performance of mutual funds and their ability to beat or equal the market, as evidenced by Malkiel (1995) and John (1999). Other researchers such as Fama & Schwert (1981) have looked at the effect of inflation on mutual fund performance, (Pesaran & Timmermann, 1995) also considered the performance of mutual funds in the light of industrial production. (Welch & Goyal, 2008) also identified volatility in equity prices as an important element in the performance of mutual funds.

4.0 CONTRIBUTION TO EXISTING KNOWLEDGE

4.1 CONCEPTUAL FRAMEWORK

This following framework describes the demand characteristics of a prospective investor of a mutual fund.

FIGURE 2
Diagrammatic Model
Work Objectives and Scope of Work



Source: Kwame Kusi, 2012

The framework is demonstrated by a diagrammatic model in which the investor's expectation is influenced by factors such as the mutual fund's scheme particulars, the quality of services, and the quality of the fund manager as "visible factors". This is shown in Figure 2.

The research is to concentrate on the key factors that tend to influence investors to subscribe to the purchase of mutual funds rather than other investment vehicles, particularly in Ghana. These factors are referred to as "visible factors'. The contemplated research intends to provide the investor the opportunity to provide leading determining drivers in the demand for mutual funds so that fund managers and policy makers may design custom-made products and formulate constructive polices respectively to enable Ghana witness growth in the collective investment scheme industry as a whole. As an outcome of the contemplated research a new conceptual model that integrates the drivers of the industry from a customer perspective along with industry policies, procedures and legislative criteria will be developed.

Collective Investment Schemes, especially mutual funds, have the potential to provide private wealth to the citizenry of Ghana. The demand for mutual funds depends on a number of factors as illustrated above. The outcome of the contemplated research in the form of a more robust conceptual model will provide fund managers and policymakers with a useful tool in their decision-making process. It is the believed that the development of a more robust conceptual model may assist in contributing to the growth of the mutual fund industry in Ghana.

5.0 RESEARCH METHODOLOGY

The following section describes the approach that will be used within the research design. The research is to be qualitative by way of questionnaires and interviews on a select group of approximately 250 participants within the mutual fund industry in Ghana. The research will employ a two-stage process based on questionnaires followed by more in-depth interviews of select participants.

- Stage One: Large Scale Questionnaire (250 subjects)
- Stage Two: In-depth Interviews (50 subjects)

5.1 STAGE ONE: QUESTIONNAIRE DESIGN

Primary data will be gathered from the design of a questionnaire that will query responses from clients on issues such as: the nature of investments, investment horizons, motivational factors, as well as demographic information of the individual subjects. The respondents will be asked to rank their preferences on a Likert-style ranking scale. In order to determine the primary factors that influence the investor's decision to purchase mutual funds question focused on twenty two (22) attributes will be used.

5.2 SAMPLE SELECTION

The research shall be conducted on a selected group of 150 existing investors of mutual funds as well as 100 prospective investors who are planning to invest in various investment schemes in Ghana.

5.3 STAGE TWO: INTERVIEWS

The data gathered from the Stage One Questionnaires will be analyzed in order to inform the questioning of the Stage Two interview process. Approximately 50 respondents will be interviewed using semi-structured questions in an open-ended fashion permitting free-flowing responses by interviewees by way of telephone interviews. This methodology is considered appropriate in order to capture subtle meanings and personally held beliefs on investments and savings intentions and to avoid imposing external thought complexes on participants.

5.4 DATA SOURCES FOR THE SECONDARY DATA

The questionnaire would be expected to be distributed to existing mutual fund subscribers and prospective mutual fund investors alike. It is imperative to fall on well-documented and reliable secondary data where information on the investment characteristics and behavior of existing subscribers would be obtained. The secondary data shall be obtained from the following sources:-

a. The library of the Securities & Exchange Commission of Ghana;
b. The Association of Securities Industry, Ghana;
c. The Central Bank of Ghana, Statistical Bulletin, Various volumes;
d. Ghana Statistical Service Survey.

5.5 DATA ANALYSIS

The responses from the questionnaires will be ranked in order of significance for the twenty-two (22) attributes on a scale of 1 to 6 with regards to significance. The fund related variables within each sub-group will be analyzed for their level of importance. The mean values of the readings will be obtained and the factors will be ranked according to their importance. Factor analysis using Principal Component Analysis will be used to identify the investor's underlying fund/scheme selection criteria. Factor analysis shall also be used to analyze the investor's perception of the Fund Manager's qualities and the quality of investor services. Cluster analysis of the emerging determinant factors shall also be undertaken.

TABLE 1:
Linear Function Relationship For Investment And Savings Vis-À-Vis Demography

ACTIVITY	FUNCTION
Savings and demographic factors	$Savings = \alpha + \beta_1 Age + \beta_2 Occup + \beta_3 Educ + \beta_4 Income + \beta_5 FinLit + \mu$
Investment as a function of Savings and demographic factors	$Investment = \alpha + \beta_1 Age + \beta_2 Occup + \beta_3 Educ + \beta_4 Income + \beta_5 FinLit + \beta_6 Savings + \mu$

LEGEND

Age= Age of the investor;
Occup= Occupation of the investor;
Income= the disposal income of the investor;
FinLit= Financial Literacy of the investor,
Educ= the educational level of the investor and α, β, μ are the constant, the factor loadings of the independent variables and error term respectively.

Source Adapted: Kwame Kusi, 2012

In simple terms, cluster analysis is an exploratory data analysis tool for solving classification problems. Its object is to sort cases (people, things, events, etc) into groups, or clusters, so that the degree of association is strong between members of the same cluster and weak between members of different clusters. Again, an empirical model will be used to examine the correlation between demographic factors and savings and investment. To accomplish the relationships, a linear savings and investment function will be adapted from Rogg (2000) and Kibet et al. (2009), assuming causality. Separate regression models will be run respectively for the determinants of savings and investment behavior, as shown in Table 1.

6.0 LITERATURE REVIEW

In order to make a meaningful contribution to the field of collective investment scheme in Ghana it is imperative that a review of existing research on mutual fund growth and performance in developing and developed countries be undertaken to provide insight to the research at hand. Key issues such as the impact of microeconomic effect on mutual funds, the Fund Manager characteristics and the behavioral finance dimensions will be examined. A preliminary review of the existing seminal literature provides the following general themes:

- Microeconomic issues;
- The brand effect of the Fund Manager and historical performance record;
- Investor behavior characteristics vis-à-vis subscription to mutual funds and mutual fund fee structure/fund governance; and
- Mutual funds in developed and developing countries.

6.1 MICROECONOMIC ISSUES

This literature focus examines the impact of microeconomic efficiency on the performance of mutual funds. The prevailing view by Mlkiel and Bogle (Malkiel,1995; Bogle 1994; Bogle,1999) is that in countries where securities markets are well-established, mutual funds underperform the market, especially when fees are taken into account. The standard advice for investors is to invest in low expense index funds.

Additional variables, such as: growth in industrial production, inflation or a proxy for stock market volatility, are useful in identifying funds with superior performance. The predictive success of these additional macro variables is consistent with their documented power in predicting market returns over historical periods as evidenced in the work by Fama and Schwert (1999) on inflation; along with Pesaran and Timmermann (1995) on industrial production; and Welch and Goyal (2008) on volatility in mutual fund performance. Also, Bondt & Thaler (1985) while investigating the possible psychological basis for investor behaviour argue that mean reversion in stock prices is an evidence of investor over-reaction where investors over-emphasize recent firm performance informing future expectation. In summary, it is thus important for investors to realize that past performance in stock prices, which invariably affect the performance of mutual funds, arguably may not be a predictor of future performance and as such investors must be cautious in selecting stocks in which to invest.

In the effort to identify the determinants of the growth in the United States of America mutual fund return predictability. Avramova & Tarun (2006) used a standard set of macroeconomic state variables such as dividend yield, default spread, short-term interest rate, and term spread. They found out that these factors are valuable in selecting funds with superior performance in Europe, giving them important out-of-sample credibility. The above macroeconomic variables may apply in developed markets but may be less effective in assessing the determinants of mutual funds in Ghana as the bond market and the money market in Ghana are considered not to be as sophisticated.

6.2 THE BRAND EFFECT OF THE FUND MANAGER

It is generally agreed that the Fund Manager is the main driver of a mutual fund scheme and has to critically define his asset allocation and map out his investment strategies. Chakarabarti & Rungta (2000) have stressed the importance of brand effect in determining the competitive position of the Asset Manager. Their study revealed that brand image factor, though it cannot easily be captured by computable performance measures, influences the investor's perception and hence his fund/scheme selection. Keli (Keli, 2005) is of the opinion that past performance and a fund's investment strategy continues to be the top two drivers in the selection of a new fund manager. Rajswari & Moorthy (2005) have observed that investors demand inter-temporal wealth shifting as they progress through the life cycle of the investment. Keli's opinion may not necessarily be valid as past performance in some underlying assets of a mutual fund, such as equities, may not necessarily reflect future performance. Regarding Rajeswari

& Moody's statement, arguably may be true as investors may use market timing and review of their asset allocation to change their asset mix from time to time. Ippolito (1992) asserts that fund/scheme selection by investors is based on past performance of the funds and money flows into winning funds more rapidly than they flow out of losing funds.

Ippolito's view on the selection of funds hinges on past performance of the fund. This is arguably not the case at all time as past performance does not necessarily reflect future price behavior though it may be a primary influence on investors. Also investors who are losing money over a period of time may tend to move their investments to a more attractive investment vehicle. Shanker (1996) has pointed out that Indian investors view Mutual Funds as commodity products and so for an asset management company to capture the market it should follow the consumer product distribution model. That is, mutual funds, like any other product, should follow the trajectory of a product life cycle.

In summary, it is believed that the influence of a fund manager plays a critical role in the choice that a mutual fund investor ultimately takes. Qualities such as technical know-how of fund management, managerial expertise in execution of trades, and enviable customer service are important factors that should attract clients.

6.3 BEHAVIORAL FINANCE AND MUTUAL FUNDS

Investor perceptions, preferences, attitudes and behavior influence the purchase of mutual funds by an investor. According to Ranganathan (2006) investor behavior is a dynamic factor, which is based upon belief, perceptions and expectations. In a survey carried out by Sikidar & Singh (1996) with an objective to understand the behavioral aspects of investors with the north eastern region of India towards mutual funds investment portfolio, the survey revealed that the salaried and self-employed formed the major portion of the investor group in mutual funds primarily due to tax concessions.

Goetzman & Peles (1997) also established that there is evidence of investor psychology affecting fund/scheme selection and switching. Further, Sundar (1998) conducted a survey to obtain insight into the operation of mutual funds of private institutions with special reference to Kothari Pioneer. The survey revealed that agents play a vital role in spreading the mutual fund culture. The findings showed that open-end schemes were much preferred followed by age and income as the two important determinants in the selection of the fund/scheme. Brand image and return are the prime considerations when investing in any Mutual Fund.

Shanmugham (2000) also conducted a survey of a number of individual investors to study the information sourcing behaviour of investors, their perceptions of various investment strategy dimensions and the factors motivating share investment decisions. He reports that among the various factors psychological and sociological factors dominate over the economic factors in investment decisions.

(Alinvi & Babri, 2007) are of view that customers' preferences change on a constant basis, and organizations adjust in order to meet these changes to remain competitive and profitable. This statement underlines the significance of persistent market research and understanding the customer needs from time to time.

Schindler (2007) posits that investor behavior in a behavioral finance context revolves around three dimensions; 1. investor bias when making decisions and thus letting choices to be influenced by optimism, overconfidence, conservatism; 2. experience and heuristics assisting in making complex decisions and; 3. the framing of the decision maker. In inference, behavioral aspects of the investor should not be ignored in the quest to determine the factors that trigger the investor to subscribe to a particular investment vehicle.

6.4 MUTUAL FUND FEE STRUCTURE/FUNDGOVERNANCE

This section deals with the fees associated with the purchase and sale of mutual funds. Some fund managers charge upfront fees when purchases are made known as a front-end sales charge while other managers charge fees when part or the total funds are redeemed by the investor known as a back-end sales charge. It can be expected that when the fee structure is competitive more investors are likely to patronize such a fund. Against this background, the following existing literature has been reviewed.

James et al (1999) assert that managed equity funds charge higher fees than index tracking funds or bond and money market funds reflecting the higher costs of employing investment management staff to achieve diversification and strategy. Moreover, fund governance has been found to play a role in fee-setting policies since funds tend to charge lower fees when they have smaller boards and a larger proportion of independent directors (Tufano & Sevick, 1997).

The relationship between mutual fund expenses and performance is also reasonably well established. Funds that heavily underperform have very high expense ratios while funds that are successful do not increase revenues by raising their fees but benefit from the increased size of their funds (Elton, Gruber, & Blake, 1996) and Carhart (1997) suggests feedback trading and winner-riding strategies by investors (Patel, Zeckhauser, & Hendricks, 1994). Again, Malhotra & McLeod (1997), assert that larger and more mature funds as well as no-load funds have lower expense ratios. Sirri & Tufano (1993) also found that there is positive interaction between high performance and the marketing effort and thus between performance and fees.

Khorana et al. (2005) researched cross-country variation in the development of the fund industry and found that for the majority of countries a combination of demand-side, supply-side, and legal and regulatory factors help explain why the fund industry is larger in some countries than in others.

Fund fees are also related to asset allocation strategies. Aggressive growth funds tend to charge higher entry and exit fees to discourage redemptions because they hold more of the smaller less liquid stocks (Chordia, 1996). Mutual funds and especially fund complexes benefit from scale and scope economies emanating from activities that have large overheads, such as: record keeping, communication and marketing. However, adverse price impact and managerial diseconomies of scale place a limit on the efficient size of funds (Baumol, Goldfeld, Gordon, & The, 1990) (Sirri&Tufano,1993) (Collins & Mack, 1997) (James et al.,1999). Elton et al (1997) also assert that Funds that heavily underperform have very high expense ratios. Patel et al. (1994) have the view that funds that are successful do not increase revenues by raising their fees but benefit from the increased size of their funds, suggesting feedback trading and winner-riding strategies by investors. In summary, it could be demonstrated that mutual funds which charge competitive fees are more likely to attract investors than their higher fee competitors.

6.5 MUTUAL FUNDS IN DEVELOPED AND DEVELOPING COUNTRIES

The financial markets in developed countries are more sophisticated than most developing countries, with Ghana being no exception. By inference, therefore, one would expect that the number and variety of mutual funds in developing countries to fall short of their developed countries counterparts.

Financial globalization has been perceived to drive the growth of international mutual funds to the extent that investors in mature markets have increasingly sought to diversify their assets by investing in emerging markets, often through so-called dedicated emerging market funds, which invest exclusively in emerging markets, or through increased emerging market participation by globally active funds. This has been collaborated by EIchengreen & Mussa (1998) in stating that emerging markets have been rendered more attractive and that this development has been facilitated by the following five factors: 1. technological change, 2. privatization in emerging markets, 3.far-reaching deregulation of financial markets in industrial countries in the 1980s and early 1990s, 4. the growth of institutional investors in advanced economies, and 5. macroeconomic and trade reform in developing countries. (Pazarbaşioĝlu, Goswami, & Ree, 2007) (Lane & Milesi-Ferretti, 2008)

According to an International Monetary Fund Working Paper on International Mutual Funds, “gross portfolio flows to emerging markets more than tripled from US$132 million in 1997 to around US$421 billion in 2010 with emerging market funds accounting for a significant fraction of those flows” (April 2011edition).The report also asserts that while these flows reverted temporarily during the global financial crisis in 2008, the years 2009 and 2010 again saw record flows from both equity and bond mutual funds with the assets under management of emerging market funds reaching unprecedented heights (Table 2).

Table 2
Mutual Fund Flows into Emerging Markets
(In millions of U.S. dollars)

	2003	2004	2005	2006	2007	2008	2009	2010
Bonds	3,153	1,947	5,729	6,233	4,295	-14,718	8,279	17,000
Equities	8,500	2,784	2,171	2,245	40,827	-39,490	64,383	17,300
Global	2,119	-5,348	3,148	4,209	15,223	-9,114	34,471	13,000
Asia	5,148	5,609	6,952	16,790	16,405	-19,587	19,109	3,914
Europe/Mid.East/Africa	857	2,185	7,587	-1,877	-953	-4,929	2,017	26,000
LatinAmerica	376	338	4,020	3,320	10,153	-5,860	8,786	2,250

Source: Global Financial Stability Report,IMF, 2011.

7.0 RESEARCH PLAN

The research is expected to span a total period of 36 months, from October 2010 to October 2013. Milestones on each activity outlined in Table 3 shall be adjusted as needed with the work plan being completed as close to the anticipated schedule as possible. There is no expectation that there will be cost over-runs and work would be executed within budget. Stage 1 field work will be carried out between November and December 2012 with Stage 2 field work being completed between March and April 2013. Below is a summary of activities expected to be carried out in the research process.

8.0 RESEARCH TIMELINE

The following represents the best estimate of the research timeline. All efforts will be taken to adhere as closely as possible to the presented schedule.

TABLE 3
Research Timeline

Date	Stage
October 2010 – September 2011	Preliminary Literature Review
October 2011 – October 2012	In-Depth Literature Review Draft: Chapters 1 through 3
November2011	Research Proposal Submission
November 2012 - December 2012	Stage 1 Field Research – Questionnaires
January 2013 – February 2013	Preliminary Data Analysis Draft: Chapters 4 & 5
March 2013 – April 2013	Stage 2 Field Research – In Depth Interviewing
May 2013 - September 2013	Completion of Manuscript, Data Analysis and Completion of Study Final Draft: Chapters 1,2,3,4,5,& 6
October 2013	Thesis/Manuscript Submission

9.0 RESEARCH BUDGET

The total cost of the project is estimated at $16,000.00. No grants or loans are required from outside agencies and no financial support is being sought from UGSM-Monarch Business School Switzerland. This research is fully funded and may commence immediately. The details of the budget are shown below in Table 4.

TABLE 4
Research Budget

Item	Cost US $
Conferences	$2,000
Hotel Accommodations	$2,000
Books and Article Purchases	$3,500
Travel Expenses	$4,000
Reproduction Expense – Questionnaires	$400
Reproduction Express – Manuscript Copies X 4	$500
Software and Digital Recording	$2,100
Miscellaneous Supplies & Other Costs	$1,500
Total Approximate Costs	**$16,000**

The above cost represents a general estimate of the cost to be incurred to successfully complete the research. Costs may vary. Additional cost to be funded by the researcher.

10.0 RESEARCH PROPOSAL APPROVAL

The contemplated research proposed herein has been approved by the University and the student may commence the research immediately. The student is not to deviate from the proposed research unless expressly confirmed by both the Supervisor and the University in written form.

Approved By The University On
26-November-2012 in Zug-Switzerland
By: Dr. Jeffrey Henderson, D.Phil.

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