



SDI Review Form 1.6

Journal Name:	<u>British Journal of Economics, Management & Trade</u>
Manuscript Number:	2014_BJEMT_14369
Title of the Manuscript:	CREDIT RATING: A NEW QUOTATION APPROACH
Type of the Article	Original Research Article

General guideline for Peer Review process:

This journal's peer review policy states that **NO** manuscript should be rejected only on the basis of '**lack of Novelty**', provided the manuscript is scientifically robust and technically sound.

To know the complete guideline for Peer Review process, reviewers are requested to visit this link:

(<http://www.sciencedomain.org/page.php?id=sdi-general-editorial-policy#Peer-Review-Guideline>)



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PART 1: Review Comments

	Reviewer's comment	Author's comment(<i>if agreed with reviewer, correct the manuscript and highlight that part in the manuscript. It is mandatory that authors should write his/her feedback here</i>)
Compulsory REVISION comments	Strong points of ms: The paper is very good. The author set out in the abstract how he/she is going to conduct the study and actually abide by his/her word – when one is analysing the text holistically. In the assessment of a company's solvency status, the author explains that he is going to use numerical symbols and risk models. He/she contrast the Big3 rating agency with what he/she called "Our Model." He/she proffered an explanation of what the Big3 model entails by stating that it use uniformly distributed risk models to rate corporate bonds and give alphabetical rating to companies based on their numerical ranking. An explication of "Our Model" is also proffered. The latter he/she contends is based on numerical scale, but also uses an accelerating risk motion to calculate scores. In the text 20 categories of companies are subject for analysis by 3 rating agencies, Moody's and Fitch being the third agency. The criteria for determining risk of a company is clearly stated: companies with a risk level under 16 are regarded as solvent, whereas those with a risk level of 17-20 are considered being in trouble. According to Moody's and Fitch rating, the author divulge that companies with high credit levels are classified at the top of the scale; those with relative high levels of solvency been placed in the middle of	Thank you for your valuable comments. All your precious suggestions have been taken into account in the main document.



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	rating table; and companies in trouble are classified at the bottom of the scale. The author collates the Moody's rating or rather extends to a company's assets contra its debts. He/she asserts that as debt value of a company remains lower than its asset value level – than the company is regarded as solvent. If debt becomes higher than threshold – the company goes bankrupt and the equity value is nil. If the debt value becomes higher than asset value- the company goes bankrupt. The data rendered here is very good and the results are presented in a logical sequence which supports the conclusion. Weak points: The research methods have not been mentioned at all. Although the author is correct with regard to the info under methodology – he/she should mentioned the design/methodology/approach of the paper. For example, that the study is based on a theoretical or empirical study. The former consist of desktop research and latter relates to fieldwork and distribution of questionnaires. Papers can also engage in both forms of methodology. The author should have also discussed research limitations and practical implications of the research. And he/she should suggest what changes to the practice should be made as a result of this research.	
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<u>Minor</u> REVISION comments	Few spelling errors. On page 2 and and obtained is conjoined. Separate the two words. Page 3, 2nd para. For and both is conjoined – separate the two words. Para 5: yield and this is conjoined. Separate the two words.	
<u>Optional/General</u> comments	Overall a very good paper. Publish paper.	