



SDI Review Form 1.6

Journal Name:	British Journal of Economics, Management & Trade
Manuscript Number:	2014_BJEMT_14265
Title of the Manuscript:	EXPLORING THE EFFECTS OF TAIWAN SUPERVISORS' SYSTEM ON FIRM PERMANENCE
Type of the Article	Research Paper

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.

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PART 1: Review Comments

	Reviewer's comment	Author's comment (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)
Compulsory REVISION comments	1) The endogeneity of stock price return and market to book is not considered in the analysis. Include additional multiple regressions with predictor variables in the existing regression listed as criteria. 2) Accounting measures such as EBIT and Net Income may be included as predictors of stock price return and market to book in these additional regressions. 3) Nonlinear functional forms including the quadratic and logarithmic forms must be tested in multiple regression formats. 4) Additional statements must be included in the Conclusions section to generalize the results beyond the Taiwanese environment.	(1) SINCE ANALYZED IN 2.2 THE MEASUREMENT ON FIRM PERFORMANCE « (2) Since included in the EPS and RoA as the Earnings per Share (EPS): (Net Income-Dividends on Preferred Stock)/Average Outstanding Shares; ROA: Net income/ Average total assets. It is based on the related prior studies as the 5.2.1 TEST OF HYPOTHESIS Three dependent variables are used as performance measures are based on an extensive prior literature: the market to book value of per share (Cho and Rui, 2009; McConnell and Servaes, 1990; Chung and Pruitt 1994; Stulz, 1988); the stock price (Kim and Kross 2005; Ryan and Zarowin 2003, Holthausen and Verrecchia 1988) and the earning per share (James 2005, Kim and Kross 2005, Palepu, Bernard and Healy 1997). Table 3 presents “Definitions of Variables and Expected Sign” (3) Since tested as Table 3: “Size of supervisors (SS): Ln (Total number of supervisors); Firm size: Ln (Asset):” the natural logarithm of the assets as the proxy variable of firm size (4) Since included in “SUMMARY AND DISCUSSION”
Minor REVISION comments		
Optional/General comments		