



SDI Review Form 1.6

Journal Name:	Asian Journal of Economics, Business and Accounting
Manuscript Number:	Ms_AJEBA_30244
Title of the Manuscript:	Bond Ratings in Indonesia. What really matters?
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.

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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)
<u>Compulsory</u> REVISION comments	1. The Section Introduction should include how the paper is organized (sections and sub-sections). It would help to understand the structure of the paper. 2. The title of the paper is too ambitious: <i>Bond Ratings in Indonesia. What really matters?</i> The paper doesn't demonstrate what is the most important part and why. Suggestion to change the title of the paper, <i>Key aspects of the bond ratings in Indonesia</i> or similar. 3. In the conclusions of the paper, it mentions: <i>The limitation of this study is that it only considers the financial and non-financial aspects.</i> It needs to be clarified, explaining the non-financial aspects. Are all of them related to the economy? 4. One of the main issues of the paper is that it includes only the PT analysis. However, the paper clarifies it in the conclusions and it proposes to include other analysis as part of the future researching. Please, could you clarify what kind of analysis are proposed? 5. Some of the conclusions about the PT should be clarified or supported by references:	I agree to add information about the structure of the paper in the introduction. I appreciate the comment and suggestion. It is correct that both financial and non-financial aspects are influenced by the economic condition of the country in this specified year of the research. Other factors of the economic and demographic conditions of the country, such as population, income, employment, industrial mix and earnings of employees and the fiscal condition of the country can be considered in further studie The research only identifies the reason why 88.6% of the companies chose PT.Pefindo as their rating agency while 11.4% chose PT.Fitch Ratings Indonesia. It is proposed that, in further analysis, it would be more interesting to compare the differences among all rating agencies recognized by Bank Indonesia. The research only required reasons why most of the companies chose PT.Pefindo as their rating agency, therefore it shows the



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	• <i>Perfindo has advantages compared with other agencies. Are there no disadvantages?</i> • <i>The number of companies that choose PT. Pefindo indicates the high level of confidence in this rating agency. Please, put the reference here.</i> 6. The number of acronyms used in the paper is too big. A lot of acronyms are known by only the experts on the matter. Please, include a list of acronyms as an annex. It would improve the paper. 7. The research methodology is not explained in the paper. It includes a section named as <i>research method</i> but it is not a methodology with steps, processes, scope, roles and so on. It doesn't explain how the data are collected and basic information as the quality assurance process to confirm the quality of the data obtained during the researching. It is necessary to clarify this method more in detail. It is one of the key aspects of the paper. 8. According to the introduction, <i>this study is expected to provide significant inputs to each company in order for them to improve performance continuously, and to increase their bond ratings, so they can continue to compete in the Indonesian capital market.</i> However, in the conclusions section these inputs are not specified. If it is one of the main objectives of the paper, it should be clarified. 9. One critical aspect of this research is the year used (2012). The conclusions have a dependency on the year used during the research. The economic and political situation	advantages of this institution compared with others. Possible disadvantages of PT.Pefindo need deeper studies. I agree with you. The acronyms have been added in the manuscript. I appreciate your comment to put more emphasis on the methodology. Although there has been some explanation in the manuscript, I do agree that greater detail needs to be given in this section. I do agree that the conclusion should be connected to the objective of this study and I realize that I did not clearly explain it. It is true that the bond rating is heavily influenced by economic and political factors of the country in the specified year of the research. The fact that further research is needed, to consider other economic factors
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	have enormous dependency on it. Has it been analysed? 10. Some of the conclusions should be clarified: • Can this proposal be extrapolated or compared with other countries? • Is this proposal only applied to Indonesia? Why? • Can this proposal be applied to all the type of companies? • What is the impact of this proposal if it is applied to public or government organizations?	(such as population, income, employment, industrial mix, the earnings of employees) and fiscal condition have been added to the conclusion. I appreciate the comment that further information should be added, and that other possible studies could be conducted. The research can compare with other countries, however a better comparison can be made with countries that have the same structure in their economic and political conditions, and require a sensitivity analysis. The research can be applied to all types of companies listed in the Indonesian Stock Exchange as long as they issue bonds. Government bonds have special characteristics and are rated by a different rating agency, and this can be input for further studies.
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<u>Minor</u> REVISION comments	11. Please, put the numbers in the sections and sub-sections in order to identify them properly. 12. Not all the mathematical expressions have the same format. Please, use common formats. 13. The number of references about the subject should be increased. Mainly about bond ratings and other macro-economic studies in Indonesia in order to improve the conclusions and the scope of the research.	I appreciate the correction and have already done them.
<u>Optional/General</u> comments	14. In general terms, the paper and conclusions are interesting, but the methodology is not explained in detail (roles, processes, approach, steps, data, tools, quality assurance process), the study has been done considering only one year (2012) and some of the main objectives of the study have not been clarified.	I appreciate your comment on the importance of looking deeply into other relevant factors that are also heavily influenced in the research. The comments help me to see broader aspects that need to be taken into account for further research. I hope my revision is sufficient to meet the objective of this research.