



SDI FINAL EVALUATION FORM 1.1

PART 1:

Journal Name:	British Journal of Economics, Management & Trade
Manuscript Number:	Ms_BJEMT_26967
Title of the Manuscript:	ECONOMETRIC MODELING OF INCOME-CONSUMPTION RELATIONSHIP: EVIDENCE FROM NIGERIA

PART 2:

FINAL EVALUATOR'S comments on revised paper (if any)	Authors' response to final evaluator's comments
-Tables are not in academic paper format. See some published papers and improve them. -I did not understand this sentence: "Three influences are captured by the result." -There is a serious jump in income for the year 2004 but consumption is stabilized. Authors do not explain this behaviour in the text. -Results seem problematic in terms of economic theory since authors claim that there is no short-run and long-run effect of income on consumption. Within the conclusion section authors should provide and cite some papers that support their conclusion. It is not meaningful to see that people in Nigeria save more than they consume if they increase their income. -Authors do not seasonally adjust or use seasonal dummy variables which would change the results seriously. Consumption and income variables are the two which are highly seasonal. Maybe they may try seasonal cointegration methods.	Tables have been edited The three influences are three interpretations derived from the long and short-run results presented in Table 5.0. the statement has been corrected. The jumps and drops in income in the trend analysis have been explained in the text and coloured. As regard saving more than consume, informal saving is very common in Nigeria. People who witness an increase in income tend to save a larger proportion of such increase with informal financial institutions like thrifts, cooperative society where they can borrow money for capital project in the future. This phenomenon complies with the Permanent income hypothesis. Since income variable in Nigeria follows an upward trend and consumption relatively stable over time we do not see it necessary to use seasonally adjusted data.