



SDI Review Form 1.6

Journal Name:	<u>British Journal of Economics, Management & Trade</u>
Manuscript Number:	Ms_BJEMT_30106
Title of the Manuscript:	Financial Derivatives and Firm Performance: Empirical Evidence from Financial and Non-Financial Firms
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 (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	The study adopts the longitudinal research design in conjunction with econometric procedure in the composition of a balanced panel dataset. The operational measures of the variables, hypotheses formulation, data collection procedure and testing techniques are further discussed. Following the theoretical postulates and the empirical review, we can hypothesise that the performance of firms are positive in the use of derivatives to hedge risk. The author established that the size of firms can affect hedging activity, but with an adverse effect on capital employed return. The use of financial derivatives to hedge risks among companies has become today more contagious with attendant merits and demerits on the financial performances of the applicants. There is therefore a new twist to fill the gap in the field of financial derivatives. It is clear that this research unravelled a composition of past academic works on the identification of specific financial risk types of interest rate, foreign exchange and commodity price, and the use of forwards, futures, options, swaps or a combination of more than one of them to hedge these risks. This over-all an excellent paper. The author just needs to redress some minor typos errors: Under the heading 1. Introduction: Third para "...and netting" is confusing –correctify it. Para 5. (same heading) ... seen as a gap in the field – delete the second in.	Very thorough, I have made the corrections as directed and I have highlighted the in yellow. I ensured strict obedience to the listed corrections



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	2.0 Literature Review: Second para: Chicago Board of Trade – (the T was writtein the lower in the original text). Para 3: ...the UK derivatives market and hedging behaviour in business industries are the other issues [delete “in”] which the chapter attempts to address. 2.1.1 Financial Economics Theory 3rd para: it should read 330 firm-year. 2.1.2 Agency Cost Theory 2nd para: check punctuation errors. The sentence should read: The authors, however, were of the opinion.. 3.0 Methodology The word ab initio is a Latin word and needs to be in italics or cursive. Apply this suggestion to all Latin words or phrases in the text. 3.5 Testing Technique and Limitations The author spells a certain word as multi-collinearity and not so long down the line, spell the word without a hyphen. Apply uniformity throughout the test with regard to this word and also to other words like autocorrelation, etc.	
<u>Minor</u> REVISION comments		
<u>Optional/General</u> comments		