Editor's Comment:

From what I see in your attachment and author's comments, I see that the author has picked up some of my comments but has chosen to ignore others.

The points not taken up were issues #1, #5, #8.

My reaction is as follows:

(1) The list of references should show each item once and not up to four times. Counting should start at 1 and stop at 45. For example, after item #14 we have once more #3 and #4. These should be eliminated. Here, the author said the list was revised whereas actually it is unchanged

(5) and (8): the author's answers are a little odd, as the author thinks that tables should follow software products, thus turning a software, intended to be a researcher's slave, into a researcher's master. Software presents numbers in tables, sometimes we need them, sometimes we do not, sometimes we would need different numbers.

(5) the Durbin-Watson test does not work in dynamic regressions. The reference to recent research work is not relevant, as authors do neither target nor mention the modification reported there, and even if they did, the test would still be dominated by tests such as Breusch-Godfrey and Ljung-Box (both of them LM variants), which are available everywhere at low cost and permit testing for slightly larger lags than one. Note that Durbin and Watson were conscious of the problem and came up with now outdated suggestions such as Durbin-h, which in turn have been superseded by Breusch-Godfrey and Ljung-Box Q. DW intended to create an exact test for certain situations that are not present in dynamic regression, otherwise they would never have considered their weird function of a correlation coefficient but quite naturally the correlation coefficient proper. Ljung-Box Q is essentially a simple function of correlation coefficients, for example.

(8) information criteria are a great tool in model selection and help you choose the model with the lowest AIC value, for example. On their own, the numbers are uninformative and they vary a lot across software packages, due to the handling of constants in the likelihood. To say that AIC is good when it is -3.66 reveals that the researcher has not understood AIC. Only if another model for the same response has an AIC of -3.4, say, then this is a good AIC. If only one model is tabulated, information criteria and log-likelihood values are confusing addenda to the results table. -3.66 is not really a measure of any entropy, as a different software would have a completely different number or even a nonlinear transformation. The AIC reported by Stata differs from the AIC reported by EViews or by R. Nonetheless, within one definition or software provide (for example, if all regressions are run in R or all in Stata), the ranking of models tends to be the same.

Editor's Details:

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