



SDI Review Form 1.6

Journal Name:	<u>British Journal of Economics, Management & Trade</u>
Manuscript Number:	Ms_BJEMT_33719
Title of the Manuscript:	Cash management and Performance of listed Firms in Nigeria.
Type of the Article	

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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	5 study used ex post factor research design, the secondary data gathered were analyzed using 1. The purpose of this paper is to examine cash management and performance of listed firms in Nigeria, using descriptive statistics, correlation matrix, and ordinary least regression methods. I think the manuscript needs following revision: 2. The structure of current version is disordered, for example, following the first section (that is INTRODUCTION), the 1.2 appeared, but 1.1 is missing, similar mistakes can be found in the other sections and subsections, I thus suggest that structure of manuscript should be rearranged. More specifically, since the title of first section is "INTRODUCTION," the second section should be entitled as "2. LITERATURE REVIEW," and subsections in this section should be entitled as "2.1 Review of Conceptual Literature," "2.2 Review of Theoretical Literature," and so on. 3. In subsection 1.3 the author constructed five hypotheses, but failed to explain how these hypotheses can be constructed, thus one may question that are these hypotheses based on the underlying theory? Are they reasonable? 4. In this manuscript, the author used descriptive statistics, correlation matrix, and ordinary least square method to examine the five hypotheses, but failed to justify, thus one may question that why these methods are suitable to be used in the empirical analysis. 5. As can be seen from Table 1, the maximum value of Cash	4. The pre-statistics of descriptive, correlation, and normality testing are no techniques for testing relationship of an empirical analysis. The findings from the descriptive statistics helps to describe the nature of the data and the statistics enables us to present the data in a more meaningful way which allows for simpler interpretation of the data. 5 & 6. A date set is deemed to possess outlier if the probability value of the JB statistics is not significant. However, the coefficient of a single variable in a data set is not sufficient to mar an entire regression result. Hence, the results from the normality test are valid and reliable. 9. Yes the coefficient of the variable of REVGR is negative and significant but the researcher did not imply that its leads to higher return on equity. Instead a percentage increase in revenue growth will deepen the firms ROE by 61% during the period of study among the studied sample. 7. Low R^2 value does not imply specification error or as you put it misspecification. Instead misspecification error and bias occurs when an independent variable is correlated with the error term. However, low R^2 is only an indication that the variables employed for the



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	Conversion Cycle is 2134.69, and the STDEV is 2546.67, which is quite large, how can say that there is no outlier? 6. From Table 1, one can see that JB of Cash Conversion Cycle is 397549.3, how can say that the data is normally distributed. 7. Since the R-squared is only 0.24, indicating that the model specified is not sufficient to explain the relationship between dependent variable and independent variables. In other words, specification error (or misspecification) could exist in the model. The author is recommended to re-examine. 8. How can explain the regression results that the coefficient of ACYCE is 0.00, although it is significantly different from zero? 9. The regression results are displayed in Table 2, as one can see from Table 2, the coefficient of REVGR is negative and significant. My question is that how can explain the negative growth will lead to higher Return to Equity?	analysis are not adequate (sufficient). Hence an inclusion of more variable will boost the size of the R^2 Again note that for OLS panel regression analysis in which this study fall, emphasis do not focus on the R^2 but on the signs and magnitude of the t-statistics and the probability of the t-statistics of the independent variable to the dependent variable.(see Gujarati) Furthermore, our result can be compared to the results of Halme and Huse (1997) as 21.2%, Peters and Romi (2011) as 18% and Post et al. (2011) as 20%. 8. Cash conversion cycle is defined as inventory days plus receivable days minus payable days. (Day as the unit of measurement) However the actual value of the variable ACYCE from the regression result is 0.0001 which is a fraction of one day hence I can conveniently say that the impact of this variable on the dependent variable will take place within a day. 3. Yes the hypothesis follows the Monetarist, Operational, and Financial theories of cash management.
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<u>Minor</u> REVISION comments	1. RESEARCH MODEL should be merged into the METHODOLOGY. 2. When choosing symbols, one rule should keep in mind, that is, symbols should be as simple as possible, therefore, I suggest using ROA, ROE, CC, CH, CF, Gr, Size to stand for return to asset, return to equity, cash conversion, cash holding, cash flow, growth, firm size, respectively. 3. The meanings of these symbols have been explained in line 357 to 364, it is thus no need to explain again in line 372 to 378. 4. The explanation of each table in the text should be arranged in order, I thus suggest moving table 4 to table 2. 5. Since there are two models, one for RETOA and the other for RETOE, it is suggested that do not use same symbol of coefficients in the two model.	
<u>Optional/General</u> comments		