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Journal Name:	<u>British Journal of Economics, Management & Trade</u>
Manuscript Number:	Ms_BJEMT_31334
Title of the Manuscript:	CURRENT ACCOUNT DEFICIT DYNAMICS IN KENYA: EVIDENCE FROM TIME-SERIES DATA (1980-2014)
Type of the 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 <i>(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)</i>
<u>Compulsory</u> REVISION comments	The author (s) were not able review empirical studies regarding this topic in the literature review section. This is very necessary as it provide to a reader the factors affecting current account balance in different economies of the world. Although the model was vividly communicated, it would not fulfil the basic assumptions of a classical linear model. If a model should pass these assumptions then inferences from analysis would be reliable in statistical term. These major econometric assumptions include serial correlation, heteroskedasticity, normality, ramsey specification and multicollinearity. Therefore, the authors should diagnose the models of the above listed sensitivity analysis. The absence of these sensitivity analysis casted a very big dent to the methodological aspect. Mimicking the objective of this study, which is to establish the causes of persistent deficits in Kenya's current account balance. The granger causality should be apply to determine which of the macroeconomic variable affects/determines current account balance in Kenya. The use of OLS only as shown in Table 3 is not robust enough in a study of this nature. However, it is worthy to note that the OLS regression result in Table 3 should not be mistaken to mean Long run co-integrating model which was clearly shown in Table 2. From line 282 to 284, the author (s) stated that the error correction coefficient is -0.145766 suggests that	



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	15% of any disequilibrium is corrected in every year. In addition, reveals, it implies that the explanatory variables Granger-cause current account balance in the long run. This assertion by the author is completely wrong as such can only be deduced with the aid of granger pair wise econometric tool. The application of variance decomposition is also suggested. This provides inferences on macroeconomic fundamental that greatly affects current account in comparison to other macroeconomic variables.	
<u>Minor</u> REVISION comments	4.0 titled "conclusion" in line 297 should be discarded. I guess is a typo error. 5.2 titled "conclusion" in line 288 should be reflected as 5.1 while 5.3 (recommendations) in line 299 should be 5.2. Current account determination is a topic of interest in the finance literature. I suggest the author (s) compared the result of their analysis with other studies conducted in this area especially in emerging economies not excluding Kenya. This will provide an epicentre for clear and cut-edge discussion of the findings of this study.	
<u>Optional/General</u> comments	The paper was concisely structured and ontologically followed. However, there are some typo errors in the work which the author (s) vehemently address.	

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