



SDI Review Form 1.6

Journal Name:	Asian Journal of Agricultural Extension, Economics & Sociology
Manuscript Number:	2014_AJAEES_10429
Title of the Manuscript:	Accessing the Impact of Monetary Instrument towards Inflation in Malaysia
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.

To know the complete guideline for Peer Review process, reviewers are requested to visit this link:

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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	I like the paper. The paper conducted various tests and established a long-term relationship between the inflation rate and the monetary policy (via interest rate, money supply and required reserve ratio) in Malaysia. The tests are thoughtful and comprehensive. The relationship found appears to be reasonable.	Thank you very much. The intention of this paper to simplify the analysis so that all people from the different background of studies can understand and learn new knowledge from this paper.
Minor REVISION comments	I would like to see more comments on Tables 1 to 4. These are you main results and you need to tell readers what you have found from them. There are many grammar problems in the paper. I provided some examples below (many others are not included here). The paper must be revised before publication. Abstract 5 The relationship between inflation and monetary policy are (is) widely discussed in the research papers.	5,6,7,8,9,10,11,12,13,14,15,16 – revised done. 34,35 – The sentences has been corrected. 41,51,52 – Change expansionary into contractionary. The author name of journal in literature review section has been removed. 78 – Revised done.



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	Inflation is 6 one of the packages (economic indicators) that comes along with the growth. It is crucial for the government to keep the country's (deleted) 7 inflation under control by adopting the right policies such as monetary policy. This paper examines the impact 8 of monetary instrument towards controlling inflation rates in Malaysia over the period of 1970 to 2010. The 9 analysis begins with the unit root test to determine the stationarity of the data. All the variables are found to 10 have a long run relationship from the Johansen Juselius cointegration test. Besides that, from the causality test, 11 there exists bilateral causality for all variables of CPI, interest, reserve and money supply for Malaysia. Among 12 the practical suggestions that can be implemented by the policymaker based on the finding of this paper are 13 constantly monitoring the level of reserve requirement in the country (not a sentence). Second (where is first?), controlling the amount (deleted) money 14 supply in order to control money volume in the market (deleted) is also an important measurement to reduce the excess 15 demand of goods and services. Last but not least is by (Third?), setting an appropriate level of interest rate which (deleted?) is also one 16 of the key to control the inflation in the country. 34 cause the same amount of money can only buy fewer	
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	goods and services. Higher inflation will result 35 in the low purchasing power of the citizen, ... Here is a repetition. 41 Many of the counties used expansionary monetary policy to curb their inflation problem.(?) For example, Lars (1999) in 51 his paper, "Inflation targeting as monetary policy rules" (deleted) had done a survey and discussed on inflation 52 targeting in the context of monetary policy. They (who are they?) provided a general conceptual framework for 78 The model proposed for this paper is as follow: There are many other such problems across the paper. For example, "each variables" should have been "each variable". The title of Section 4 "Empirical Result" should have been "Empirical Results". Suggestion of this report: Revised.	
<u>Optional/General</u> comments		