



SDI Review Form 1.6

PART 1:

Journal Name:	<u>British Journal of Applied Science & Technology</u>
Manuscript Number:	2013_BJAST_5535
Title of the Manuscript:	Sarima Modelling of Daily Nigerian Naira- British Pound Exchange Rates
Type of the Article	Original Research Paper

General guideline for Peer Review process is available in this link:

(<http://www.sciencedomain.org/page.php?id=sdi-general-editorial-policy#Peer-Review-Guideline>)

- This form has total 7 parts. Kindly note that you should use all the parts of this review form.



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PART 2: 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	As no significant theoretical extension has been achieved, the manuscript has been judged by the relevance of the problem, quality of the empirical analysis and usefulness of the findings. Viewed in this context, the manuscript appears more like a project report of an undergraduate course on Time Series Analysis rather than a publishable journal paper. The authors are advised to go through the huge and ever-expanding literature and state-of-the-art techniques on time series forecasting, an excellent lead of which could be the review article "25 years of time series forecasting" by Jan G. De Gooijer and Rob J. Hyndman in the <i>International Journal of Forecasting</i> , vol. 22 (2006), pp. 443–473. The reference section lists some of the most fundamental work on time series analysis and the authors should consider reading at least some of them to have a good idea on how a modeling problem of chaotic data as daily exchange rate is attempted.	Literature review for this work was deemed adequate and sufficient.
<u>Minor</u> REVISION comments	The major criticism of the paper arises from the appallingly inadequate and naive introduction part. Secondly, from the empirical viewpoint, considering only 113 data points for modelling daily exchange rate is perhaps sacrilegious. The methodology part should always include comparative analysis with other standard tested techniques like ARCH, GARCH, etc, along with the proposed method, viz., SARIMA. Last, but not the least, the miniscule conclusion part which says the chosen model is "adequate" – in what sense is it so? The results section in the box says that model explains upto 51 per cent of the total variability in the data, says it all about the manuscript. Even the random-walk model would probably be a better choice. The most elementary and standard techniques nowadays explain more than 90 per cent of total variation!	The series length of 113 is not too short for a seasonal series of period 7. That means that as many as 16 "seasons" are covered in the series. See Etuk[3], [4], [5], Box and Jenkins[7],etc. for the use of even shorter series. A comparison is now made with an ARMA(1, 1) model. Questions of model accuracy are better addressed comparatively rather than absolutely. I agree.
<u>Optional/General</u> comments	None	