



SDI FINAL EVALUATION FORM 1.1

PART 1:

Journal Name:	British Journal of Applied Science & Technology
Manuscript Number:	2013_BJAST_5535
Title of the Manuscript:	Sarima Modelling of Daily Nigerian Naira- British Pound Exchange Rates

PART 2:

FINAL EVALUATOR'S comments on revised paper (if any)	Authors' response to final evaluator's comments
- Explain what is economic implication on the fact that ‘ The seasonality of 7 days implies that there exists a tendency for the daily exchange rates to rise and fall following a weekly pattern.’ I am very doubt why the author used the SARIMA model rather than the ARIMA. - I do not agree your order selection of SARIMA model. In general, literature considers Akaike information criterion (AIC) and Schwarz information criterion (SIC). The author should apply two criteria (AIC and SIC) to determine the best order of SARIMA model. - Explain that the SARIMA model is superior to the ARIMA model using out-of-sample analysis. Show me please.	1.I am not an economist but as a statistician my interpretation is that there is a tendency for the series to repeat itself after every seven days. I used SARIMA rather than ARIMA because of the observed seasonality of the series. SARIMA models were proposed specifically for seasonal models. 2. The autocorrelation structure observed suggests the (0, 1, 1)x(0, 1, 1)₇ SARIMA model. 3. The SARIMA model explains 51% of the variation in the data as opposed to only 8% for the ARIMA model. Unfortunately that is outside the scope of this current study.