



SDI Review Form 1.6

Journal Name:	British Journal of Applied Science & Technology
Manuscript Number:	Ms_BJAST_18835
Title of the Manuscript:	Closed-form American Options Pricing Models on Foreign Assets
Type of the Article	Method 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:

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



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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)
<u>Compulsory</u> REVISION comments	First, the first part of paper looks like "Literature review", and needs a title. Second, the paper doesn't have any objective and problem statement. So, before moving to the equations he needs to provide a statement on what is the purpose of paper. Though it is implicitly provided in the abstract but it needs to be provided in the text. Third, empirical research section and the numbers provided need more explanations. They relate to what year and how they have been calculated, by using what models, etc. Finally, I suggest to change the title of the paper to "Underlying determinants of American Option Pricing Models".	Thanks reviewer's comments! (1) The first part of the paper is named "introduction". (2) The objective and problem statement is described in the line 11-18 of page 2 that is newly added content. (3) The explanation of empirical research is placed on page 9 line 11-28 that is newly added content (4) According to the habits the author thinks the original paper title better.
<u>Minor</u> REVISION comments	In the empirical research section the author provides some data and a Table on the correlation coefficient and value of options that are not clear and needs more explanation. Also, some of the variables like "W" has not been defined in the text. In the text, he compares American and European option pricing model, whereas in the abstract he also talks about Bermudan option pricing.	(1) The raw data of the empirical studies is given based on author experience. The explanation of table 1 is placed on page 9 line11-28. (2) "W" stands for Brownian motion (or Wiener process) that has added on the paper. (3) This paper presents American option pricing models that the underlying asset is the product of two stochastic processes and the strike price also is a stochastic process. Because pricing relationship exists between American, European and Bermudan option, we can obtain the pricing models of European and Bermudan option from American option pricing models.
<u>Optional/General</u> comments	References are not in accordance with APA style.	The author has modified the style of the references