



## SDI FINAL EVALUATION FORM 1.1

### PART 1:

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| Journal Name:            | <a href="#">British Journal of Economics, Management &amp; Trade</a>                       |
| Manuscript Number:       | MS: 2012/BJEMT/2270                                                                        |
| Title of the Manuscript: | Agricultural Credit Allocation and Constraint Analyses of Selected Maize Farmers in Ghana. |

### PART 2:

| FINAL EVALUATOR'S comments on revised paper (if any)                                                                                                                                                                                                | Authors' response to final evaluator's comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| <p>"Y" has been properly defined.</p> <p>I agree with the author on the correction of linearity of the model using "Age squared", but however disagree on the use of both Age and Age squared. Therefore, the variable "Age" should be dropped.</p> | <p>Dear Reviewer,</p> <p>Please, the use of the variable "age squared" theoretically requires the use of the variable "age" as well. We cannot use "age squared" straight away, we have to include the variable "age" to take account of any linear relationship that might exists between the dependent variable (credit allocation) and the variable "age". In this respect, we are taking account of both linear and non-linear relationships that might exist.</p> <p>In our empirical results of the Tobit model, both "age" the variable "age squared" were significant, but with different signs, whiles age is negative, age squared is positive. These results have implications for credit allocation in the life span of the farmer.</p> <p>In some other cases, the "age" may be significant" while the "age square" may not, or both of them may be significant, or both may not be significant (as in the results of the Probit model). Results of this nature would have their corresponding implications.</p> <p>Please, the inclusion of the variable "age" and "age squared" in the specification of the model is the best and more robust in the framework of this nature.</p> <p>More importantly, we did not encounter multicollinearity problems in the estimation of the model (that might have arisen as a result of the inclusion of both variables). If there were multicollinearity problem, it would have been indicated during the estimation of the data by the statement "near singular matrix ".</p> <p>Please, numerous studies have used this methodology (see for example, Martey et al., 2012 attached).</p> <p>Thank you very much for your understanding.</p> <p>I hope to hear from you soon.</p> |