



SDI Review Form 1.6

PART 1:

Journal Name:	<u>British Journal of Economics, Management & Trade</u>
Manuscript Number:	2013_BJEMT_5149
Title of the Manuscript:	Semiparametric stochastic frontier estimation using Generalized Additive Models
Type of the Article	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	1. In stochastic production frontier analysis, $\varepsilon = v - u$, where v is the noise term and u is technical inefficiency. This has not been reflected in the model. 2. There should be formal expression for COLS estimator. 3. When estimating a production technology, it is customary to report marginal product estimates. 4. A histogram plot of technical efficiency scores will give a clearer picture of the distribution.	1. Your point is well-taken. Please see page 3 where we addressed your concern. 2. You referred to the good point. Because the COLS estimator is a widely used terminology in the concept of efficiency, we have decided to follow the same established expression. 3. Your point is well-taken. This is one of the pitfalls of using nonparametric and semiparametric production/cost functions where customary marginal products cannot be reported due to the structure of these types of functions unlike parametric production/cost functions. 4. Your point is well-taken. Please see page 9 where we provided a figure that shows the distribution of technical efficiency scores.
<u>Minor</u> REVISION comments	1. Line 80: it is possible for kernel function to deal with more than two predictors as long as the sample size is sufficiently large. 2. Reference [8]: the authors are: Li, Huang, Li and Fu.	1. Your point is well-taken. Please see page 3 where we added your suggestion to the context. 2. We fixed the typo. Please see the 'Reference' Section.



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<u>Optional/General</u> comments	1. Some more important references on stochastic frontier analysis should be included: a. Kumbhakar, S.C. and Lovell, C.A.K., 2000, Stochastic Frontier Analysis, Cambridge University Press b. Aigner, D.J., Lovell, C.A.K., Schmidt, P., 1977, Formulation and estimation of stochastic frontier production functions. Journal of Econometrics, 6, 21–37. 2. Recent reference on semiparametric stochastic frontier analysis: a. Sun, K and Kumbhakar, S.C., 2013, Semiparametric Smooth-coefficient Stochastic Frontier Model, Economics Letters, 120(2), 305-309.	1. Your point is well-taken. Please see pages 1 and 2 where we added your suggestion to the context as well as the 'Reference' Section. 2. Your point is well-taken. Please see page 2 where we added your suggestion to the context as well as the 'Reference' Section.
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