



SDI Review Form 1.6

PART 1:

Journal Name:	<u>British Journal of Economics, Management & Trade</u>
Manuscript Number:	2013_BJEMT_5427
Title of the Manuscript:	THE RELATIONSHIP BETWEEN WORKING CAPITAL MANAGEMENT AND PROFITABILITY: EVIDENCE FROM SAUDI CEMENT COMPANIES
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)
Compulsory REVISION comments	<ul style="list-style-type: none"> • In section 3, about hypotheses, how variables (i.e. liquidity, working capital management) are measured is not stated. • In section 3, why five companies established after 2000 are excluded is not explained satisfactorily although the sample comprises the period between 2008-2012. • In section 4.2, usage of percentages with some variables are not right such as inventory conversion period of 200.71%, payables deferral period of 241%....they are number of days rather than %s. • Hypotheses should be evaluated in section 4 rather than in conclusion. • The most serious problem in the study is 	<p>-This statement was added in section 3 "A Pearson correlation and linear regression were employed to examine the relationships between the variables used in this research.</p> <p>- It was corrected only companies established before 2005 are included and the rest excluded as the fact that they dont have long history in making enough returns and they are considered small in size.</p> <p>-In section 4.2. The variables that measured in days are fixed.</p> <p>-Hypotheses evaluation were shifted from conclusion to section 4.</p> <p>- Corrections were made you will find only</p>



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	<p>that although the relationship between GROSS and independent variables in correlation and regression analyses are not significant, they are presented as significant, all the comments are based on this wrong assumption. This is not right and not acceptable. For example, in Table 3, the only significant variable with GROSS is size (LnSales), but in row 228 it is stated that "there is a significant negative correlation relationship between GROSS and five independent variables namely: PAY, CCC, INV, Debt, and DSO".</p>	<p>now in the article that there is a significant negative correlation relationship between GROSS as dependent variable, and five independent variables namely; PAY, CCC, INV, Dept, and DSO. At the same time, there is a significant positive correlation relationship between GROSS and LnSales, FIXEDFA, respectively</p>
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<p>Minor REVISION comments</p>	<ul style="list-style-type: none"> • The paper needs editing • Abbreviations are not used systematically. For example, Working Capital Management (WCM) should be used at first usage; subsequently WCM should be used continuously in the rest of the paper. • In row 42, "current asset items can be classified into cash and cash equivalents" needs revising. This is different than definition of current assets in the finance literature. • The term "working capital cycle" is not commonly used in the literature. • In row 76, definition needs reference. In rows 109-118, "we" used, I think it should be "they" since this is a literature review. • The meaning of abbreviations (i.e. CAGR, 	<p>-Necessary editing was made</p> <p>- Abbreviations were checked</p> <p>-The sentence was changed to “ Current asset items can be classified into cash and other asset items which can be converted into cash quickly”.</p> <p>-The working capital cycle used in the study by Bhunia and Das was changed to become “The study shows a small relationship between WCM and profitability”.</p> <p>-Reference was added to definition in row 76. Corrections were made to the whole paragraph in rows 109-118 in literature review.</p> <p>-(CAGR) stands for Company Annual</p>
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	<p>GCC) in row 213 and 214 are not given.</p> <ul style="list-style-type: none"> In Table 2, the decimals should be dropped to two points and the columns should be aligned to the right. 	<p>Growth Rate and (GCC) Gulf Cooperation Council were added in the manuscript.</p> <p>- The decimals in Table 2, dropped to two points and the column were justified.</p>
<u>Optional/General</u> comments		<p>Thank you for adding more value to my research</p>