



SDI Review Form 1.6

Journal Name:	<u>British Journal of Economics, Management & Trade</u>
Manuscript Number:	2014_BJEMT_11088
Title of the Manuscript:	Macro-Stress Testing in Deregulated and Consolidated Regimes: Episode of Nigerian Banks
Type of the Article	Original Research 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.

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PART 1: Review Comments

	Reviewer's comment	Author's comment <i>(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)</i>
<u>Compulsory</u> REVISION comments	Can be updated the sample until 2013? (The data used are from 1981 to 2011). Is there any justification for using data until 2011? Unit root tests: if the variables are integrated of order 1, then they are not stationary in level (stationary in first difference) - lines 276-277. It must be clear what the notation “(-1)” means in Table 4.2 (lines 263, 265, 267, 271). Given the length of the sample (1981-2011), it would be appropriate to consider other unit root tests, which consider the possibility of structural breaks in the series. The presentation of the Wilson model (credit risk model) and the modifications made by the authors on this model (modified credit risk – line 7) should become more clear in the text.	Yes, have updated the sampling size of the study; the new sampling size is now 1981 to 2013. Yes agree, all the variable series are now stationary at first difference. Yes, the notation (-1) has been defined in the text to mean lag one Yes, I have used impulse response functions and forecast error variance decomposition to explain the structural break in the series. I have made the model clearer now.
<u>Minor</u> REVISION comments	It is necessary to improve the presentation of equations 1-6.	Yes, I have improved on the presentation of the equations
<u>Optional/General</u> comments	This manuscript is interesting and original, but the methodology needs to be more careful.	The methodology has been taken care off.