



SDI Review Form 1.6

Journal Name:	British Journal of Economics, Management & Trade
Manuscript Number:	2013_BJEMT_8684
Title of the Manuscript:	Concentration of Portfolios on the Zimbabwe Stock Exchange After Currency Reform
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.

To know the complete guideline for Peer Review process, reviewers are requested to visit this link:

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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)
Compulsory REVISION comments	Much of the focus of has hammered on the importance (please replace the word “hammered” with “focused”) Results and Discussion 1. The graph axis needs to be appropriately labeled, Y axis (Risk/Variance) and X axis (No of Stocks in the Portfolio) 2. Grammatical error in the last sentence on the Scenario 3 (Figure 4) explanation; an (not and) investor has to hold... There were no VBA Excel Macro codes to check the accuracy of the variance calculation to estimate the risk of a portfolio. Hence the results are assumed to be correct.	We have adjusted accordingly. We have labelled our graphs. We have revised the sentence. We felt that the codes would take much space as we have a quite a number of lines for the codes.
Minor REVISION comments	Please include Evans and Archer (1968) writings in the introductory chapter. It is suggested that reference to this published work is included in the introductory chapter before referring to the empirical work of Bradfield and Kgomari (2004). A suggestion is given below;	We have adjusted based on the reviewers suggestions and to this we added a acknowledgement section to thank the reviewer for the suggestions.



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	“The risk of a portfolio decreases as the number of different stocks in it increases. Evans and Archer (1968) observed that the risk reduction effect diminishes rapidly as the number of stocks increases, however concluded that the benefits of diversification almost exhausts when a portfolio consist of approx 10 stocks. Concentration and diversification of stocks in a portfolio are relevant to risk return measurements of a portfolio and hence citation of Evans and Archer (1968) is thought relevant to add further theoretical basis to the study”. Evans, J. L and Archer, S. H., (1968), “Diversification and the Reduction of Dispersion: An Empirical Analysis”, Journal of Finance, Vol 23 pp 761-767	
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Optional/General comments	<i>Results and Discussion</i> 1. An alternative last sentence for the above could be; “An investor may have to hold as many stocks over 10 in a portfolio of the Industrial Index on the ZSE to effectively reduce the portfolio risk to a minimum possible up to the total of the 62 stocks in the sector” In the concluding paragraph I am not very convinced of the authors statement of “....a portfolio must constitute all 62 stocks in the Industrial Index on the ZSE..”. Instead I would suggest to state that “Further risk reduction can be achieved by holding more than 10 stocks in a portfolio up to the total of 62 stocks to achieve the lowest level of risk possible for a portfolio of the Industrial Index on the ZSE” Please check the comments of the other reviewers before making the change. Finally may I suggest to reconsider a revision to the title of the paper considering the focus on risk and the number of stocks in a portfolio to; “Risk and Concentration of Portfolios on the Zimbabwe Sock Exchange after Currency Reform”	We have revised the sentence. We have incorporated the reviewers suggestion. We have revised the topic in line with the reviewers suggestions.
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