



SDI Review Form 1.6

Journal Name:	<u>British Journal of Economics, Management & Trade</u>
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.

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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	This is an interesting paper about risks in investments in stock markets, and especially in an emerging market like the one in Zimbabwe. It computes how the concentration of stock in a portfolio can affect its risk. The simulation is interesting. The structure of the scenarios is good. The Figures need to have their axes titled for better understanding. Some parts of text need to be referenced, for example the last sentences of the first paragraph in Page 2, where the authors mention some literature which is not referenced. The objective of the study and the need for conducting it should be mentioned clearer. I do not agree fully with the result. The simulations show that all the curves tend asymptotically to a minimum risk. This may be less minimum if a 63rd stock is included in the portfolio. I would have expected that the authors would try to select the optimum portfolio, the one consisting of a smaller number of stocks, and a slightly higher risk. All the curves have a risk of 2-3% if a portfolio of 20-25 stocks is selected. So, why should one say that it is better to choose all the industrial sector stocks (62) for a risk of 1.5-2.5%. I think, this is the main advantage of making simulations; the fact that one can find the optimum solution to a problem.	We have labelled the axis as suggested by other reviewers as well. We have corrected the sentence and added a reference. This was clearly stated on the abstract and page 3 before the methodology. We have incorporated the suggestions to include an optimal solution.



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	The authors should discuss more and by referring to other authors work their results. After the third simulation they seem as the rush to finish the paper and arrive to an easy conclusion. In the conclusion section a null hypothesis is mentioned. Where was that in first place?	There aren't much empirical studies on emerging markets. We are the first to document evidence on the Zimbabwe Stock Exchange about risk and concentration. We have corrected the error in the sentence.
<u>Minor</u> REVISION comments		
<u>Optional/General</u> comments	The paper must be read by a native English speaker because in this form there are many mistakes. The paper could have been further explored and researched, based on richer and more recent literature. I am not sure if the Annexes are needed.	We have given the paper to a language practitioner and have corrected. We felt they were necessary.