



SDI Review Form 1.6

Journal Name:	<u>British Journal of Economics, Management & Trade</u>
Manuscript Number:	2015_BJEMT_17543
Title of the Manuscript:	Do BVAR Models Forecast Turkish GDP Better Than VAR Models?
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 (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	1. Right from the introduction, the paper begins with incoherent sentence structures making it difficult to follow. 2. Always define an acronym before using it. Example is the use of UVAR in line42 before defining it. Somewhere, it could have stated something about unrestricted vector autoregression (UVAR), especially since the title of the paper has VAR and BVAR. In the conclusion, are you using UVAR interchangeably with VAR? Please, clarify. 3. There is no compelling reason to discuss the DSGE model in this context even in the introductory stage because it is not one of the two models being compared. I would suggest you check out "Forecasting Market Shares Using VAR and BVAR Models: A Comparison of Their Forecasting Performance" by Francisco F.R. Ramos and others for a more focused analysis. 4. It is confusing which period the study covers. Between lines 258 and 260 on one hand and lines 205 and 207 on the other. Even in the abstract, the period seems to be inconsistent with some of the other places cited here, say 2005q4 – 2013q2 and others stating 2005q3 to 2013q4. 5. The paper does not provide a good comparison of Turkish GDP using the two	1. Proof reading has made and required revisions are yellow highlighted. 2. It escaped from me, I corrected and highlighted. Yes I used UVAR (unrestricted VAR) not restricted VAR as vector autoregression. I changed the title as UVAR to clarify this confusion. 3. I did not discuss DSGE models. My study focuses on BVAR models AND their usage in macroeconomic forecasting. In the literature review if there is an article making comparison of BVAR and DSGE models, it would be missing only giving information about BVAR results. 4. I have corrected and highlighted. 5. In here the focal point is to compare the forecasting successes of BVAR and UVAR models.



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	models, VAR or (UVAR) and BVAR, quite confusing indeed. If I want to actually forecast Turkish GDP, do I use VAR or BVAR. Telling us which model is better for the various components does not do the work. In other words, if I want to forecast Turkish GPD, do I use a component at a time or use either VAR or BVAR incorporating all the components, depending on which model would perform better? 6. I would suggest that the author(s) rechecks the formulation of the VAR equations 3, 4, and 6. There is no time to go through them all here.	In literature BVAR models are used for forecasting macroeconomic variables. 6.I have checked, revised and highlighted equation 3.
<u>Minor</u> REVISION comments	1. The paper needs to be internally reviewed to correct grammatical errors before resubmission. It requires a more careful approach.	Proof reading has made and required revisions are yellow higlighted.
<u>Optional/General</u> comments		Thank you for rigorous comments.