



SDI Review Form 1.6

Journal Name:	British Journal of Mathematics & Computer Science
Manuscript Number:	2014_BJMCS_12415
Title of the Manuscript:	Bayesian Optimal Filtering in State Space Models: Empirical Example from Econometric Analysis of Economic Time Series Data
Type of the 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)
<u>Compulsory</u> REVISION comments	(1) Generally, this paper describes the classical Kalman filter technique in the dynamic linear model framework and shows one example to use it. While all the mathematical derivations have been well-known and can be found in the referred book West and Harrison (1997), the example shows that the authors are capable of utilizing this model in real-data analysis and to some extent correctly get both the usefulness and limitation of this model/technique (e.g. extensive and sensitive to parameter tuning, prior information). I would recommend accept this manuscript as a mini- applied paper. (2) The following reference should be included, which is a recent publication of applying a variant of kalman filter to mixed-measurement time series. <i>Kai Cui and David Dunson, "Generalized Dynamic Factor Models for Mixed-Measurement Time Series", J Comput Graph Stat. Feb 12, 2014; 23(1): 169–191.</i>	Thanks for this comment. This reference has been included accordingly in the paper. Thanks.



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<u>Minor</u> REVISION comments	Check some of the typos/grammars, e.g. : Pg 2 para 1: "A state space model allow..., which are driven by a stochastic process" ➔ "allows" and "which is"	This error has been duly corrected.
<u>Optional/General</u> comments		