

Review Form 1.7

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| Journal Name: | Asian Journal of Economics, Business and Accounting |
| Manuscript Number: | Ms_AJEBA_113480 |
| Title of the Manuscript: | Analysis of the effects of agency costs on Financial Performance of commercial banks listed at the Nairobi securities exchange in Mombasa County, Kenya |
| Type of the Article | Original Research Article |

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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) |
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| <p>Compulsory REVISION comments</p> <ol style="list-style-type: none"> 1. Is the manuscript important for scientific community? (Please write few sentences on this manuscript) 2. Is the title of the article suitable? (If not please suggest an alternative title) 3. Is the abstract of the article comprehensive? 4. Are subsections and structure of the manuscript appropriate? 5. Do you think the manuscript is scientifically correct? 6. Are the references sufficient and recent? If you have suggestion of additional references, please mention in the review form. <p><u>(Apart from above mentioned 6 points, reviewers are free to provide additional suggestions/comments)</u></p> | <ol style="list-style-type: none"> 1. Yes, the manuscript appears to be important for the scientific community, particularly for those interested in banking, finance, and corporate governance. The study addresses a significant issue in financial management—the impact of agency costs on the financial performance of commercial banks listed on the Nairobi Securities Exchange in Mombasa County, Kenya. The findings contribute to the existing body of knowledge by providing insights into how agency costs affect financial performance and offering recommendations for improving internal control systems and managerial incentives. 2. The title you provided is clear and informative, suggestion: "Examining Agency Costs and Financial Performance in Mombasa County Banks" 3. Consider restructuring the abstract to improve its flow. Begin with a concise statement of the research problem and objectives, followed by a brief overview of the theoretical framework and research methodology. While the abstract outlines the general objectives of the study, it lacks specificity in describing the variables and hypotheses tested. Providing more detail on the specific monitoring, bonding, residual loss, and restructuring costs examined, as well as the theoretical underpinnings guiding the research, would enhance the clarity and depth of the abstract. The abstract briefly touches upon potential recommendations for mitigating agency costs, but these could be further elaborated. Providing specific actionable suggestions based on the study findings would enhance the practical relevance and impact of the research. 4. Overall, your manuscript appears well-structured and addresses a relevant topic in the banking sector. 5. The manuscript appears to be scientifically sound. It follows a logical structure, starting with the abstract, introduction, statement of the problem, and objectives, which are all standard components of a research paper. The methodology section outlines the research design, sampling techniques, data collection methods, and data analysis procedures, which are essential for ensuring the rigor of the study. 6. The references seem insufficient to fully support the breadth and depth of the research. It's crucial to ensure that the literature review is adequately grounded in existing scholarship to provide context, theoretical frameworks, and empirical evidence relevant to the study. While the inclusion of seminal works and key theories is commendable, incorporating a broader range of recent studies and diverse perspectives would enhance the robustness and credibility of the research. Consider expanding the references list to include more recent publications that directly address the research objectives and findings. Additionally, incorporating studies from a variety of sources and methodologies can provide a more comprehensive understanding of the topic and strengthen the theoretical foundation of the study. <p>Additional suggestions/comments</p> <p>Clarity and Coherence:</p> <ul style="list-style-type: none"> • The methodology section provides a clear overview of the research design and data collection procedures. However, some sentences could be rephrased for better clarity and coherence. <p>Justification of Research Design:</p> <ul style="list-style-type: none"> • While the descriptive research design is appropriate for this study's objectives, it would be beneficial to provide a more detailed justification for why this design was chosen over others. How does it align with the research questions and objectives? <p>Sampling Method:</p> <ul style="list-style-type: none"> • The rationale for selecting three managers from each of the 10 listed commercial banks in Mombasa County should be explained. What criteria were used to select these specific managers, and how do they contribute to the study's aims? | |

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| | <p>Validity and Reliability:</p> <ul style="list-style-type: none"> It's mentioned that validity and reliability tests were conducted, which is good practice. However, it would be helpful to provide more information about the specific tests used and their outcomes to assure readers of the study's rigor. <p>Data Analysis:</p> <ul style="list-style-type: none"> The description of data analysis techniques is clear, but it would be beneficial to provide more detail on how inferential statistics such as regression were applied. For example, were any assumptions checked, and how were potential confounding variables addressed? <p>Ethical Considerations:</p> <ul style="list-style-type: none"> The section adequately addresses ethical considerations such as obtaining authorization from commercial banks and ensuring respondent confidentiality. However, it would be helpful to also mention any ethical approval obtained from relevant institutional review boards. <p>Transparency and Reproducibility:</p> <ul style="list-style-type: none"> Consider providing more information on how data encoding was conducted and how this process contributes to the transparency and reproducibility of the study's findings. <p>Summary of Findings:</p> <ul style="list-style-type: none"> The summary of findings provides a clear overview of the study's objectives and outcomes. However, it could benefit from more precise language and structure to enhance readability and coherence. <p>Conclusion:</p> <ul style="list-style-type: none"> The conclusion effectively restates the study's goals and summarizes the main findings. However, some statements could be strengthened with more specific evidence or explanation, such as the connection between monitoring expenses and the deterrence of fund misappropriation. <p>Recommendations:</p> <ul style="list-style-type: none"> The recommendations are relevant and aligned with the study's findings. However, they could be further developed to provide more actionable insights for listed commercial banks in Mombasa County. Consider providing specific strategies or examples to illustrate how effective internal control systems can be implemented or how restructuring can be tailored to align with the banks' strategies and objectives. Additionally, it would be helpful to discuss potential challenges or limitations associated with implementing these recommendations and how they could be addressed. | |
| <p>Minor REVISION comments</p> <p>1. Is language/English quality of the article suitable for scholarly communications?</p> | <p>While there are minor improvements that could be made in terms of grammar and mechanics, overall, the language quality of the article appears suitable for scholarly communication.</p> | |
| <p>Optional/General comments</p> | <ul style="list-style-type: none"> Avoid redundancy and ensure that each recommendation is articulated clearly and supported by evidence from the study. Ensure that the conclusions logically follow from the study findings and that the recommendations are directly linked to the conclusions. | |

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PART 2:

| | 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> |
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| Are there ethical issues in this manuscript? | <i>(If yes, Kindly please write down the ethical issues here in details)</i> | |

Reviewer Details:

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