

Review Form 3

Journal Name:	Asian Journal of Economics, Business and Accounting
Manuscript Number:	Ms_AJEBA_125258
Title of the Manuscript:	The Interconnectedness of Earnings Management, Corporate Governance Failures, and Global Economic Stability: A Critical Examination of the Impact of Earnings Manipulation on Financial Crises and Investor Trust in Global Markets
Type of the Article	

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PART 1: Review Comments

Compulsory REVISION comments	Reviewer's comment	Author's Feedback (Please correct the manuscript and highlight that part in the manuscript. It is mandatory that authors should write his/her feedback here)
<p>Please write a few sentences regarding the importance of this manuscript for the scientific community. Why do you like (or dislike) this manuscript? A minimum of 3-4 sentences may be required for this part.</p>	<p>From my point of view, it is a very interesting topic and simultaneously it seems that to the best of my knowledge is an important research critically examines the interconnectedness of earnings management, corporate governance failures, and their impact on global economic stability and investor trust. Focusing on the Enron (1993–1995) and Wirecard (2015–2019) scandals, the research identifies key financial and governance indicators that contributed to these collapses, including CEO duality, weak board oversight, and manipulated financial reporting. Data for the analysis were drawn from corporate financial reports, macroeconomic indicators sourced from the World Bank, and stock market data from MarketWatch. Financial ratio assessments and regression models reveal a statistically significant negative relationship between GDP growth and abnormal returns for Enron ($p = 0.014$), while inflation had a strong positive impact on abnormal returns in both cases ($p < 0.001$). Time series analysis was applied to assess the macroeconomic consequences of corporate collapses on global financial markets. The findings demonstrate how declining GDP growth and rising inflation amplify market responses to governance failures. Recommendations include enhancing corporate governance frameworks, intensifying regulatory enforcement, and fostering global regulatory cooperation to safeguard financial markets and restore investor trust.</p>	
<p>Is the title of the article suitable? (If not please suggest an alternative title)</p>	<p>Yes</p>	
<p>Is the abstract of the article comprehensive? Do you suggest the addition (or deletion) of some points in this section? Please write your suggestions here.</p>	<p>The abstract must contains the main purpose of the paper, the research method used in the research and the main contributions.</p>	
<p>Are subsections and structure of the manuscript appropriate?</p>	<p>No</p>	
<p>Please write a few sentences regarding the scientific correctness of this manuscript. Why do you think that this manuscript is scientifically robust and technically sound? A minimum of 3-4 sentences may be required for this part.</p>	<p>The analyzes are robust, the methods are appropriate for this research. I consider that the introduction should specify of the paper compared to other papers published in this area. I consider an econometric model will increase the quality of the paper.</p>	
<p>Are the references sufficient and recent? If you have suggestions of additional references, please mention them in the review form. :</p>	<p>1. In the same time, I consider the literature review section cannot missing from the paper and that is why we consider that the literature is not enough and that is why, we recommend the authors to refer to other recent works indexed in Web of Science, Scopus, Emerald, Cambridge, and of course MDPI Journals. We suggest that the authors cite papers published in MDPI journals and Web of Science Journals, such as:</p> <p>1. Batrancea L., Batrancea I., Moscviciov A. (2009), The Roots of the World Financial Crisis, Annals of Faculty of Economics, 3(1):57-62.</p> <p>2. Moscviciov, A., Bătrâncea, I., Bătrâncea, M., Bătrâncea, L.M. (2010) Financial Ratio Analysis Used In the It Enterprises, Annals of the University of Oradea: Economic Science, 19(2):600-603.</p> <p>3. Batrancea, L., Batrancea, I., Moscviciov, A. (2009) The analysis of the entity's liquidity—A</p>	

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	<p>means of evaluating cash flow, <i>Journal of International Finance and Economics</i>, 9(1):92-98.</p> <ol style="list-style-type: none">4. Batrancea, L.M., Batrancea, I., Moscviciov, A. (2009) The Roots of the World Financial Crisis, <i>Annals of Faculty of Economics</i>, 3(1):57-62.5. Batrancea, L., Rathnaswamy, M.K. & Batrancea, I. A Panel Data Analysis on Determinants of Economic Growth in Seven Non-BCBS Countries. <i>J Knowl Econ</i> (2021). https://doi.org/10.1007/s13132-021-00785-y6. Batrancea LM.(2021) An Econometric Approach on Performance, Assets, and Liabilities in a Sample of Banks from Europe, Israel, United States of America, and Canada. <i>Mathematics</i>. 2021; 9(24):3178. https://doi.org/10.3390/math9243178/.7. Batrancea, L. The Nexus between Financial Performance and Equilibrium: Empirical Evidence on Publicly Traded Companies from the Global Financial Crisis Up to the COVID-19 Pandemic. <i>J. Risk Financial Manag.</i> 2021, <i>14</i>, 218. https://doi.org/10.3390/jrfm140502188. Batrancea, L. Empirical Evidence Regarding the Impact of Economic Growth and Inflation on Economic Sentiment and Household Consumption. <i>J. Risk Financial Manag.</i> 2021, <i>14</i>, 336. https://doi.org/10.3390/jrfm140703369. Batrancea, L.; Pop, M.C.; Rathnaswamy, M.M.; Batrancea, I.; Rus, M.-I. An Empirical Investigation on the Transition Process toward a Green Economy. <i>Sustainability</i> 2021, <i>13</i>, 13151. https://doi.org/10.3390/su13231315110. Batrancea, L.M. (2022) Determinants of Economic Growth across the European Union: A Panel Data Analysis on Small and Medium Enterprises. <i>Sustainability</i>, <i>14</i>, 4797. https://doi.org/10.3390/su14084797/Accession NumberWOS:000786368500001/ ISSN: 2071-1050.11. Batrancea, L.M., Rathnaswamy, M.M., Rus, M.I., Tulai H.(2022) Determinants of Economic Growth for the Last Half of Century: A Panel Data Analysis on 50 Countries. <i>J Knowl Econ</i>, Pp.1-25, https://doi.org/10.1007/s13132-022-00944-9.12. Batrancea, L.M. Determinants of Economic Growth across the European Union: A Panel Data Analysis on Small and Medium Enterprises. <i>Sustainability</i> 2022, <i>14</i>, 4797. https://doi.org/10.3390/su1408479713. Batrancea, L.M.; Balci, M.A.; Chermezan, L.; Akgüller, Ö.; Masca, E.S.; Gaban, L. Sources of SMEs Financing and Their Impact on Economic Growth across the European Union: Insights from a Panel Data Study Spanning Sixteen Years. <i>Sustainability</i> 2022, <i>14</i>, 15318. https://doi.org/10.3390/su14221531814. Batrancea, L.M.; Balci, M.A.; Akgüller, Ö.; Gaban, L. What Drives Economic Growth across European Countries? A Multimodal Approach. <i>Mathematics</i> 2022, <i>10</i>, 3660. https://doi.org/10.3390/math1019366015. Batrancea, L.; Rathnaswamy, M.M.; Batrancea, I. (2021) A Panel Data Analysis of Economic Growth Determinants in 34 African Countries. <i>J. Risk Financial Manag.</i> <i>14</i>, 260. https://doi.org/10.3390/jrfm14060260 <p><u>24.</u> Batrancea, L.(2021) Empirical Evidence Regarding the Impact of Economic Growth and Inflation on Economic Sentiment and Household Consumption. <i>J. Risk Financial Manag.</i> <i>14</i>,</p>	
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	<p>336. https://doi.org/10.3390/jrfm14070336.</p> <p>5. We also consider that an important cause that influences GDP is fiscal compliance and therefore even if this variable was not taken into account, the authors should refer to the works published on this topic, namely:</p> <p>16. Batrancea L.M., Nichita R.A., Batrancea I. (2012), Tax Non-Compliance Behavior in the Light of Tax Law Complexity and the Relationship between Authorities and Taxpayers, <i>Annals of the Alexandru Ioan Cuza University-Economics</i>, 59(1), pp.97–106.</p> <p>17. Nichita R.A., Batrancea L.M., (2012), The Implications of Tax Morale on Tax Compliance Behavior, <i>Annals of University of Oradea: Economic Science</i>, 21(1)1, 739–744.</p> <p>7. Another important cause that must be mentioned in the paper is the link between GDP, fiscal compliance and shadow economy, as the independent variables fiscal compliance and shadow economy strongly influence GDP. In this sense, I recommend the authors to quote the paper: Batrancea L., Nichita A., Batrancea I., Gaban L. (2018). „The Strenght of the Relationship Between Shadow Economy and Corruption: Evidence from a Worldwide Country-Sample”. <i>Social Indicators Research</i> 138(3), 1119-1143; DOI: 10.1007/s11205-017-1696-z</p>	
<p><u>Minor</u> REVISION comments</p> <p>Is the language/English quality of the article suitable for scholarly communications?</p>	<p>Yes</p>	
<p><u>Optional/General</u> comments</p>	<p>The Manuscript needs careful English proofreading because there are some shortcomings. For instance, the article “the” is sometimes missing in front of nouns, the message in some paragraphs is not clear enough.</p>	

PART 2:

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

Reviewer Details:

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