

Review Form 3

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| Journal Name: | South Asian Journal of Social Studies and Economics |
| Manuscript Number: | Ms_SAJSE_125957 |
| Title of the Manuscript: | Investing at the Crossroads: Understanding Prospect Theory and Risk in MSMEs |
| Type of the Article | |

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PART 1: Review Comments

| Compulsory REVISION comments | Reviewer's comment | Author's Feedback <i>(Please correct the manuscript and highlight that part in the manuscript. It is mandatory that authors should write his/her feedback here)</i> |
|---|--------------------|--|
| 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. | | |
| Is the title of the article suitable? (If not please suggest an alternative title) | | |
| 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. | | |
| Are subsections and structure of the manuscript appropriate? | | |
| 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. | | |
| Are the references sufficient and recent? If you have suggestions of additional references, please mention them in the review form. | | |

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| <p>Minor REVISION comments Is the language/English quality of the article suitable for scholarly communications?</p> | | |
| <p><u>Optional/General</u> comments</p> | <p>"Investing at the Crossroads: Understanding Prospect Theory and Risk in MSMEs"</p> <p>based on its content, methodology, and contributions:</p> <p>1. Research Problem and Objective Clarity</p> <ul style="list-style-type: none"> • Strengths: The study tackles a significant topic: how risk tolerance, demographics, and financial literacy affect MSMEs' investment choices, especially in the Banyumas region. The paper does a good job of introducing prospect theory's applicability to comprehending these dynamics. • Improvement has to be done -Although the issue is evident, additional background information regarding the particular difficulties MSMEs encounter after the epidemic would enhance the introduction. The study's applicability would be increased if the rationale behind Banyumas' selection as a case study location were made clear. <p>2. Methodology</p> <ul style="list-style-type: none"> • Strengths: The 111 MSME participants in the sample provide strong support for the quantitative methodology. Structural Equation Modeling (SEM-PLS) is a suitable tool for examining the connections between variables. The study offers precise operational definitions for important variables such as risk tolerance, financial literacy, and demographic characteristics. • Improvement has to be done - The generalizability of the study may be restricted by the sample technique, which is incidental sampling. It would be helpful to address any potential biases induced by this sampling technique and provide a more compelling argument for its adoption. Furthermore, increasing the sample's demographic diversity might improve robustness. <p>3. Data Analysis and Results</p> <ul style="list-style-type: none"> • Strengths: Results are presented in the paper with detailed explanations and statistical significance. The results of the outer model test and path coefficients are succinctly summarized in the tables. In line with previous research, the study shows that risk tolerance and financial literacy have a big impact on investing choices. • Improvement has to be done - Although the study is comprehensive, little attention is paid to the consequences of non-significant control variables, such as income and business duration. The conversation would be enhanced by offering a more thorough explanation of why these factors had little bearing on investing choices. <p>4. Theoretical Contributions and Practical Implications</p> <ul style="list-style-type: none"> • Strengths: The study advances the use of prospect theory in MSMEs' financial decision-making. It is helpful to explore how psychological aspects (like risk tolerance) affect investment choices. Additionally, the study offers useful insights that could direct MSME training programs by indicating that better investment decisions are made by those with greater financial literacy. • Improvement has to be done-The study might go into more detail about how its conclusions might be used in other areas or industries. Furthermore, the section on practical implications would be strengthened by additional discussion on how MSMEs can use the findings to better risk management and investment strategies. <p>5. Writing Quality and Structure</p> <ul style="list-style-type: none"> • Strengths: The article has a clear flow from the introduction to the conclusion and is generally well-structured. The hypotheses are given in an understandable manner, and the use of tables and figures improves clarity. • Improvement has to be done - The conclusion may be strengthened by providing a more actionable summary of the practical applications, and the writing might be improved in terms of clarity and grammatical accuracy. For instance, several sections, like the introduction, have lengthy sentences that could be condensed. <p>Conclusion- This work significantly advances our knowledge of risk tolerance and financial literacy in relation to MSME investment decisions. But its total impact might be increased with better technique discussion, in-depth examination of non-significant variables, and clearer writing.</p> | |

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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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