

Review Form 3

Journal Name:	Asian Journal of Economics, Business and Accounting
Manuscript Number:	Ms_AJEBA_121987
Title of the Manuscript:	New Approach in Stochastic Frontier Analysis Estimation for Addressing Joint Assumption Violation of Heteroscedasticity and Multicollinearity
Type of the Article	

General guidelines for the 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 guidelines for the Peer Review process, reviewers are requested to visit this link:

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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>
<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>First of all, congratulations on this work, which presents an interesting and novel topic in terms of a new approach to the practical application of SFA. I really like the article because it focuses on solving problems related to the practical application of the Stochastic Frontier Analysis method. The article's added value is revealed in the fact that the problems of heteroscedasticity and multicollinearity are the main challenges that affect the goodness of the SFA model. Is particularly commendable for proposing an aggregate solution to the two problems of SFA efficiency analysis.</p>	
<p>Is the title of the article suitable? (If not please suggest an alternative title)</p>	<p>YES, maybe a bit long</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>YES</p>	
<p>Are subsections and structure of the manuscript appropriate?</p>	<p>YES</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>Most SFA models have heteroskedasticity, which stems from the fact that there may be technological differences between individuals. Another problem can be multicollinearity, which usually does not cause problems if we use variables that are not dependent on each other. This is mostly solvable by selecting those dependent variables that are not correlated. Multicollinearity can be eliminated with Principal Component Analysis at the cost of certain information loss, so this approach it is statistically robust. Multicollinearity is a less serious problem since it only affects the individual evaluation of the model parameters; it does not affect the model's goodness. In my opinion, the first model performance metrics (n=20) section can be omitted due to the small sample size of the SFA model.</p>	
<p>Are the references sufficient and recent? If you have suggestions of additional references, please mention them in the review form.</p>	<p>Yes, I recommend citation Hadri et al. (1999) instead Guermat and Hadri (1999) because there are 3 authors (p. 9).</p>	
<p><u>Minor</u> REVISION comments</p> <p>Is the language/English quality of the article suitable for scholarly communications?</p>	<p>Yes, with minor English spelling revision.</p>	
<p><u>Optional/General</u> comments</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>
Are there ethical issues in this manuscript?	<i>(If yes, Kindly please write down the ethical issues here in details)</i>	

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