

# Review of: "Determinants of Internal Financing: Small and Medium Enterprises in Pakistan"

Yener Top<sup>1</sup>

<sup>1</sup> Gumushane University

**Potential competing interests:** No potential competing interests to declare.

The deficiencies related to the manuscript titled "Determinants of Internal Financing: Small and Medium Enterprises in Pakistan" are as follows:

1. In the section titled "1) Importance and Issues of Small and Medium Enterprises (SMEs)," the citations are inadequate. For example, it mentions the importance of small and medium enterprises and their discussions in the literature, but there are no references provided to support these claims. It states, "50% of small and medium enterprises cannot access credit," but there is no reference indicating the source of this information.

2. In the section titled "2) Review of Literature: Firm Size and Financing," the topic is well-explained, but the citations are not properly organized. Would it be more appropriate to list references chronologically, from oldest to newest? For example, it is written as Gordon: 1962, Myers and Majluf: 1984, followed by Miller and Modigliani: 1958. Shouldn't they be listed in chronological order by year, such as 1958, 1962, and 1984?

3. In the section titled "3) Determinants of Internal Financing: Data and Research Methodology," the symbols  $\epsilon$ ,  $\alpha$ ,  $\beta$  used in the equations are not explained. Readers would like to know what these constants or coefficients represent and how they were calculated. For example, what did you find for  $\beta_1$  in your study?

Under this section, the use of the Panel Least Square technique is mentioned only by name. Readers would appreciate a more detailed explanation of how this technique was used in calculating the internal financing ratio, which is the focus of your study.

The values in the tables obtained in your study are not discussed in the text. There is no comparison or discussion of the study's results with other relevant literature. Is there a reason for this? The manuscript mentions that the topic of internal financing is not extensively studied, but were there really no other studies on this topic? Is your study the only one in this regard?

4. In the section titled "5) Policy Implications and Limitations," the first paragraph of the text states that the study provides a tool for determining the appropriate internal financing ratio. However, there is no conclusion in the study about what the internal financing ratio should be. For instance, what is the internal financing ratio found for the small and medium enterprises studied in your research?

5. The "References" section lists sources in a disorderly manner. Shouldn't the sources be listed following a specific rule?

For example, if the first reference is "Berman," how can the last reference be "Acs, Z..."?

Furthermore, in the text, references are made to the World Bank for the years 2017, 2018, 2022, and 2023, but these year-specific references are not included in the references section. On the other hand, there is a reference to "World Bank (2019)" in the references section, even though there is no mention of it in the text. Therefore, the references need to be reviewed and organized.