

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

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Determinants of Internal Financing: Small and Medium Enterprises in Pakistan

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Introduction

In the following work I will carry out a review of the previously mentioned article. This will briefly encompass its general areas of opportunity, as well as some specific points that I consider to be relevant, as by changing them, the article, in its totality, will improve in the way it delivers its message to the readers.

Review

Orthographic improvements:

1. In the author's name, "Muhammad Ayub Mehar," there should be a comma after "Muhammad."
2. In the first sentence of the article, the phrase "Internal financing is an indicator of self-reliance, growth, and survival of a firm without help from external sources" could be improved for clarity. Consider rephrasing it as: "Internal financing serves as an indicator of a firm's self-reliance, growth, and survival without relying on external sources."
3. In the sentence that begins with "It assesses the growth and survival of a firm without raising capital in equity or debt markets," consider adding "by assessing" at the beginning of the sentence for better clarity: "It assesses the growth and survival of a firm without raising capital in equity or debt markets."
4. In the sentence that starts with "However, internal financing may be a cause of lower dividends," consider using "can lead to" instead of "may be a cause of" for clearer expression: "However, internal financing can lead to lower dividends."
5. In the sentence that begins with "From an investment policy point of view," consider rephrasing it to improve clarity: "From the perspective of investment policy."
6. In the sentence "The study is based on six years of data from 398 companies in Pakistan," consider specifying whether the study collected data from "398 companies in Pakistan over six years" for clarity.
7. In the sentence "While panel least square (PLS) techniques have been applied to estimate the parameters," "square" should be "squares." The sentence could also be rewritten for clarity: "Panel least squares (PLS) techniques were

used to estimate the parameters."

8. In the section titled "Importance and Issues of Small and Medium Enterprises (SMEs)," the phrase "while big organizations can get the" is incomplete and should be revised for clarity.
9. In the same section, consider adding "of" after "damage the benefits of" for better grammar and clarity: "and sometimes, those policies may damage the benefits of small and medium enterprises (SMEs)."
10. In the sentence "Their role in economic progress has been widely discussed in economic literature," consider specifying the timeframe to enhance clarity: "Their role in economic progress has been widely discussed in the economic literature."
11. In the sentence "According to World Bank (2018) estimates," consider using "the" before "World Bank" for clarity: "According to the World Bank (2018) estimates."
12. In the sentence "The expansion of the capital base becomes a primary requirement for growth and survival in the competitive environment," consider specifying what type of expansion, such as "expanding the capital base," for better clarity.
13. In the sentence "The acquisition of small companies by large companies creates unemployment for the workers of small enterprises," consider specifying the type of acquisition for clarity: "The acquisition of small companies by large corporations creates unemployment for the workers of small enterprises."
14. In the section "Review of Literature: Firm Size and Financing," the phrase "Fairly a large number" should be revised to "A large number" for better grammar and clarity.
15. In the sentence "These studies recognize the role of institutional investment," consider specifying what "these studies" refer to for better clarity.
16. In the section "Determinants of Internal Financing: Data and Research Methodology," the sentence "Several control variables to estimate the net effects of the size of a company (TOTAST), paid-up capital (PAIDUP), and liquidity position (CASH/EAT) on reserves and surplus funds (SUPLUS), payment of bonus shares (BNUS) and dividend payout ratio (PAYOUT) have been included in the estimations" should be revised for clarity.
17. In the section titled "The above-mentioned equation (1)," "Estimattion" should be corrected to "Estimation" for correct spelling.
18. In the phrase "an indicator of self-reliance, growth, and survival of a firm," there should be a comma after "self-reliance" for correct punctuation: "an indicator of self-reliance, growth, and survival of a firm."
19. In the sentence "The firm's size in terms of its assets is a considerably important factor," the word "considerably" should be "considered," and there should be a comma after "assets": "The firm's size in terms of its assets is considered an important factor."
20. In the sentence "The difference between assets and equity shows the size of leverage financing," there should be a comma after "equity" for proper punctuation: "The difference between assets and equity shows the size of leverage financing."
21. In the sentence "This question becomes more important in the case of small and medium enterprises (SMEs) because of their limited ability to get financing at competitive prices," "becomes" should be "became" to maintain tense consistency: "This question became more important in the case of small and medium enterprises (SMEs)."

22. In the sentence "The majority of large-scale units in Pakistan are engaged in the production of industrial raw materials and intermediate goods," "majority" should be plural, so it should be "majorities": "The majorities of large-scale units in Pakistan are engaged in the production of industrial raw materials and intermediate goods."
23. In the sentence "a lower payout ratio (PAYOUT) of small and medium enterprises (SMEs) was also expected," there should be a comma after "PAYOUT" for correct punctuation: "a lower payout ratio (PAYOUT), of small and medium enterprises (SMEs) was also expected."
24. In the sentence "The payout ratio (PAYOUT) shows the payment of dividends to shareholders as a percentage of earnings after tax," consider rephrasing it for clarity: "The payout ratio (PAYOUT) represents the percentage of earnings after tax paid to shareholders as dividends."
25. In the sentence "To test the macroeconomic factors, the rate of inflation (INFLCPI) and domestic credit to the private sector as a percentage of GDP (DCPS) have also been considered as explanatory factors," consider using "testing" instead of "to test" for clarity: "Testing the macroeconomic factors, the rate of inflation (INFLCPI) and domestic credit to the private sector as a percentage of GDP (DCPS) have also been considered as explanatory factors."
26. In the sentence "Transparency, accountability and corruption in the public sector (CRPTN) and the rule of law (LAW) have also been considered in the determination of the dividend policy," consider adding "the" before "Transparency" for clarity: "The Transparency, accountability, and corruption in the public sector (CRPTN) and the rule of law (LAW) have also been considered in the determination of the dividend policy."
27. In the sentence, "Earing after tax," "Earing" should be "Earnings" for proper spelling.
28. In the same sentence, "Earing after tax," "after tax" should be "after-tax" with a hyphen for correct spelling.
29. In the sentence, "For the estimation of bonus shares (BNUS) and dividend payout ratio (PAYOUT)," "estimation" should be "estimations" to match the plural form of the variables.
30. In the same sentence, "bonus shares (BNUS)," "bonus" and "shares" should be capitalized to match the style used for other variables, like "Earnings" and "Fixed Assets."
31. In the sentence, "They manage the inventories and storage facilities for these products," "inventories" should be "inventory" for proper subject-verb agreement.
32. In the sentence, "The specialized financial institutions for SMEs," "institutions" should be "institution" for proper pluralization.
33. In the sentence, "it will be better to examine these empirical relations in the larger context," "context" should be "contexts" to match the plural form of "relations."
34. In the sentence, "The study must be expanded and enhanced in the larger context," "enhanced" should be "enhancing" for clarity.
35. In the sentence, "The insufficient panel data in the context of Pakistan cannot identify the net effects of the COVID-19 pandemic," "insufficient" should be "Insufficient" with a capital letter for proper sentence structure.
36. In the sentence, "Though earnings after tax capture the effect of COVID-19," "capture" should be "captures" for subject-verb agreement.
37. In the sentence, "This linkage between small and medium enterprises (SMEs) and large-scale units may be tested in future studies," "studies" should be "study" to maintain singular form

Redaction improvements:

1. "The 6-year data of 398 listed companies of Pakistan have been extracted from their annual reports (SBP: 2023)." - Consider rephrasing for clarity: "We extracted 6-year data from the annual reports of 398 listed companies in Pakistan (Source: SBP, 2023)."
2. "However, 324 out of those 398 companies have been included in the analysis because of consistency and availability of required data." - Suggest making it more concise: "We included 324 out of the 398 companies in the analysis due to data consistency and availability."
3. "The number of observations for each regression has been reported in the results." - Specify this further for clarity: "The number of observations for each regression is provided in the results section."
4. "All data has been reported in thousand rupees (PKR) unless specified." - Clarify that you're referring to the unit of measurement: "Unless otherwise stated, all data is reported in thousand rupees (PKR)."
5. "Earing after tax" - This appears to be a typographical error. It should be "Earnings after tax."
6. "One of the possibilities to remove the bias against small and medium enterprises is to provide financing for expansion to the small and medium enterprises (SMEs) through a different window." - This sentence can be rephrased for better flow: "One way to address the bias against small and medium enterprises is by providing them with financing options for expansion through specialized financial institutions."
7. "The study determines the effects of liquidity and earnings on dividend payout." - Clarify: "The study examines the impact of liquidity and earnings on dividend payouts."
8. "It has been referred to in this study that small and medium enterprises (SMEs) play an important role by investing in working capital, while large-scale units focus on investment in fixed assets." - Make it more concise: "This study highlights the significant role of SMEs in working capital investment, while large-scale units concentrate on fixed asset investments."

I highly recommend to re-read the whole text to correct said errors, it would be an impactful improvement.

Conclusion

Over all, it is certainly a good article, the topic is interesting, denotes a comfortable previous investigation, the type of vocabulary matches the intended audience, it just lacks a bit of carefulness in terms of writing and redaction, nothing that cannot be quickly fixed.