

# [Business: Theory and Practice] Manuscript Submission #26443 Acknowledgement

Inbox



**Business: Theory and Practice** [btp@arphahub.com](mailto:btp@arphahub.com) via [penssoft.net](https://penssoft.net) May 5, 2018, 2:39 PM

to me, preprint, journals

Dear Mr Sugeng Wahyudi:

Thank you for submitting the manuscript #26443 "FACTORS AFFECTING RETURN ON DEPOSIT (ROD) OF SHARIA BANKS IN INDONESIA" to Business: Theory and Practice. You can keep track of its progress through the manuscript's URL:

[https://btp.press.vgtu.lt/login.php?u\\_autolog\\_hash=f63c563ff5777148f6159eb72db014fb&document\\_id=26443&view\\_role=11](https://btp.press.vgtu.lt/login.php?u_autolog_hash=f63c563ff5777148f6159eb72db014fb&document_id=26443&view_role=11)

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Thank you for considering Business: Theory and Practice as the venue for your work.

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# [Business: Theory and Practice] Manuscript #26443: Review Process Completed (Major revisions)

Inbox



**Business: Theory and Practice** [btph@arphahub.com](mailto:btph@arphahub.com) via [penssoft.net](https://www.penssoft.net) Wed, Jun 13, 2018,  
10:15 PM

to me, preprint

please find review reports online,

please revise the paper according to the reviewers comments,

please submit the edited paper as soon as possible.

thanks

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Dear Mr Sugeng Wahyudi:

We are pleased to inform you that the review process for your manuscript #26443 "[FACTORS AFFECTING RETURN ON DEPOSIT \(ROD\) OF SHARIA BANKS IN INDONESIA](#)" has been completed and the editorial decision is: Major revision.

The revised version should be [submitted](#) as manuscript text in DOC, DOCS, ODF or RTF formats corrected by using Track Changes tools. Additional or supplementary files, figures and references can also be added or replaced at this point.

Authors must address all critiques of the referees in a response letter to the editor and submit it along with the revised manuscript through the online editorial system. Please copy all comments into one document and add your response behind each critique using different formatting to allow easy following of your response. In case a response letter is not submitted by the authors, the editor has the right to reject the manuscript without further evaluation.

We expect your revised version within 10 days, by 23/06/2018, if not sooner. Please kindly inform us if you will need more time to submit the revised version.

Once again, thank you for choosing Business: Theory and Practice as the venue for your work

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# [Business: Theory and Practice] Manuscript #26443: Accepted

Inbox



**Business: Theory and Practice** [btp@arphahub.com](mailto:btp@arphahub.com) via [Penssoft.net](#) Mon Aug 6, 2018,  
2:18 PM

to me, preprint, pressoffice, dissemination

Dear Mr Sugeng Wahyudi:

We are pleased to inform you that the review process of your manuscript #26443 "[FACTORS AFFECTING RETURN ON DEPOSIT \(ROD\) OF SHARIA BANKS IN INDONESIA](#)" has been completed and it was accepted for publication.

We expect that even in cases when the revised version is accepted in the form it has been submitted, there can be some small last-minute changes required or recommended. Please note that reviewers and editor might have also made comments and Track/Change corrections in your manuscript, that you have also to check and consider!

We shall expect your final version within 3 days, by 09/08/2018, if not earlier. Additional or supplementary files can also be replaced at this point with corrected versions.

Once again, thank you for choosing Business: Theory and Practice as the venue for your work!

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The manuscript begins with the very rich review of literature that stands for an entrance into the topic.

The mentioned references are up to date and related to the topic.

The second chapter is called “Review of Literary and Historical Framework” – the proper name should be “Literature Review and Historical Framework”.

A continuous flow of the text of the paper is disturbed by the missing text between the headings – for instance between 2. and 2.1 or between 2.3. and 2.3.1. and so on.

The hypotheses are stated in the literature review – they have to be involved in the methodology chapter.

The results chapter starts with the descriptive statistics. Subsequently, the Kolmogorov-Smirnov test is displayed in Table 5. It is quite unusual to display table with only a single row. That is why, it would be better to incorporate this result into the text of the paper. Such a table is quite useless.

In the 4.2.3. chapter, a heteroscedasticity test is mentioned. But, as it is seen in the paper, no real test is done. Only a diagram of the residuals is displayed. There is a plenty of tests to verify a presence of heteroscedasticity. If you would like to check this disease, you should use test undoubtedly and not only to rely on a graphical view. This has to be added.

The outcome of the regression analysis shows there are two statistically insignificant variables. Firstly, you use them and explain them as statistically significant, but subsequently you state them with no statistical significance. Then, in the conclusion you state “The results of this study indicate that not all variables studied have a significant influence on ROD.” It would be better to avoid them and to create a new model without them that would consist of only statistically significant variables.

The diagram in the 4.4.1 chapter is not numbered and named. It also lacks the both axes.translator

The suggestions in the 5.2. chapter should be enriched. They are very general and according to the contents of the paper some other thoughts could be added.

Please explain more thoroughly is how sharia banks addresses contemporary issues caused by economic crises (e.g. Jankelová et al. 2018; Abbas 2018) and remain competitive, and if they prevent money laundering and terrorism financing as other conventional non-Islamic banks (Kordík, Kurilovská 2017)

Jankelová, N.; Jankurová, A.; Beňová, M.; Skorková, Z. 2018. Security of the business organizations as a result of the economic crisis, *Entrepreneurship and Sustainability Issues* 5(3): 659-671. [https://doi.org/10.9770/jesi.2018.5.3\(18\)](https://doi.org/10.9770/jesi.2018.5.3(18))

Abbas, S. A. 2018. Entrepreneurship and information technology businesses in economic crisis, *Entrepreneurship and Sustainability Issues* 5(3): 682-692. [https://doi.org/10.9770/jesi.2018.5.3\(20\)](https://doi.org/10.9770/jesi.2018.5.3(20))

Kordík, M.; Kurilovská, L. 2017. Protection of the national financial system from the money laundering and terrorism financing, *Entrepreneurship and Sustainability Issues* 5(2): 243-262. [https://doi.org/10.9770/jesi.2017.5.2\(7\)](https://doi.org/10.9770/jesi.2017.5.2(7))

The list of literature has to be accomplished by adding the latest sources

The overall impression is that the paper is a bit superficial. Please elaborate explanation of specifics of functioning of sharia banks in comparison with conventional banking

## Response Letter (List of Amendments on Manuscript)

Title :

### FACTORS AFFECTING RETURN ON DEPOSIT (ROD) OF SHARIA BANKS IN INDONESIA

Dear Editor

Listed below are our revisions based on reviewers' comments and suggestion

No.	Comments & Recommendations	Reply/Amendments
1.	Reviewer 2:  After ammendment the paper is much better	Many thanks
2.	Reviewer 3:  There are still some places where continuity of the text is disturbed:  – between the 3 heading and the 3.1 heading;  – between the 3.3 heading and the 3.3.1 heading;  – between the 4 heading and the 4.1 heading;  – between the 4.2 heading and the 4.2.1 heading;  – between the 4.4 heading and the 4.4.1 heading;  – between the 5 heading and the 5.1 heading.  It is appropriate to add some text here, because the empty section should not be involved in the papers.	We add some texts in:  – between the 3 heading and the 3.1 heading;  – between the 3.3 heading and the 3.3.1 heading;  – between the 4 heading and the 4.1 heading;  – between the 4.2 heading and the 4.2.1 heading;  – between the 4.4 heading and the 4.4.1 heading;  – between the 5 heading and the 5.1 heading.  as suggested.

## Response Letter (List of Amendments on Manuscript)

Title :

### FACTORS AFFECTING RETURN ON DEPOSIT (ROD) OF SHARIA BANKS IN INDONESIA

Dear Editor

Listed below are our revisions based on reviewers' comments and suggestion

No.	Comments & Recommendations	Amendments
1.	The second chapter is called "Review of Literary and Historical Framework" – the proper name should be "Literature Review and Historical Framework".	We revised it according your suggestion
2.	A continuous flow of the text of the paper is disturbed by the missing text between the headings – for instance between 2. and 2.1 or between 2.3. and 2.3.1. and so on.	We add some texts between 2. and 2.1. as follows Hassan and Aliyu (2018) stated that Islamic banking practices are arise from the need to apply the principles of sharia that are closely linked in the guide to Islamic ideology. The development of banking based on Islamic economic concepts and principles is an innovation in the international banking system. The characteristics of this sharia banking, operating on the principle of profit sharing (mudaraba) in the absence of interest (riba) it is because interest (riba) in the shariah law is prohibited (haram). According to Hassan and Aliyu (2018); Rivai and Arifin (2010), the differences between sharia and conventional banks are (1) Akad (agreement) and legality. Akad on Islamic banking has the consequences of the world and the afterlife. The contract is implemented on the basis of Islamic law. (2) Organizational structure. Sharia banks should have Sharia Supervisory Board as operational supervisor and bank products in line with Islamic law. (3) Businesses that are financed should be justified by the provisions of Islam. (4) Work environment and organizational culture. The nature of shidiq (honest), trustworthy, fathanah (intelligent, professional) and tabligh (communicative, friendly and openness) should be the foundation of Islamic banking practitioners. The detailed explanation about the sharia bank's principles are explain in the next section.
3.	The hypotheses are stated in the literature review – they have to be involved in the methodology chapter.	We revised it according your suggestion
4.	The results chapter starts with the descriptive statistics. Subsequently, the Kolmogorov-Smirnov test is displayed in Table 5. It is quite unusual to display table with only a single row. That is why, it would be better to incorporate this result into the text of the paper. Such a table is quite useless.	We revised it according your suggestion



5.	In the 4.2.3. chapter, a heteroscedasticity test is mentioned. But, as it is seen in the paper, no real test is done. Only a diagram of the residuals is displayed. There is a plenty of tests to verify a presence of heteroscedasticity. If you would like to check this disease, you should use test undoubtedly and not only to rely on a graphical view. This has to be added.	We revised it according your suggestion We add the Glejser test result
6.	The outcome of the regression analysis shows there are two statistically insignificant variables. Firstly, you use them and explain them as statistically significant, but subsequently you state them with no statistical significance. Then, in the conclusion you state “The results of this study indicate that not all variables studied have a significant influence on ROD.” It would be better to avoid them and to create a new model without them that would consist of only statistically significant variables.	We revised it according your suggestion  We check across the manuscript, some typo error been eliminated.
7.	The diagram in the 4.4.1 chapter is not numbered and named. It also lacks the both axes.translator	We revised it according your suggestion
8.	The suggestions in the 5.2. chapter should be enriched. They are very general and according to the contents of the paper some other thoughts could be added.	We revised it according your suggestion.  We change it as follows: This study has some limitations among other samples which have been studied. It is also limited to sharia banks in the form of sharia public banks where it does not involve sharia financing banks. Therefore, a future research needs to specifically conduct to study on sharia financing banks. Depositors in sharia banks do not need to consider the size of the sharia supervisory board and the bank's ownership status in depositing the funds since the size of the sharia supervisory board does not affect the ROD and there is no difference between foreign and domestic sharia banks. However, depositors need to consider the CAR, bank size, FDR, the size of the board of directors and the prevailing interest rate because it has a significant impact. The depositor should choose sharia banks with high FDR and well managed (i.e. have bigger board size to ensure good corporate governance implementation). The depositor also suggested to consider sharia banks with smaller size because it can provide better return on deposit, but again some consideration, i.e. risks must concerned.
9.	Please explain more thoroughly is how sharia banks addresses contemporary issues caused by economic crises (e.g. Jankelová et al. 2018; Abbas 2018)	We revised it according your suggestion.  We add those literatures along with its explanation related to sharia banking as follows:

<p>and remain competitive, and if they prevent money laundering and terrorism financing as other conventional non-Islamic banks (Kordík, Kurilovská 2017)</p>	<p>Islamic banking (sharia banking) arises because Islam forbids Muslims to withdraw or pay interest (usury, riba). Islam's rejection of this interest raises the question of what can replace the mechanism of application of interest within the framework of Islam. This is where the principle of profit sharing (profit-loss-sharing) entry replaces the interest system as in conventional banks (Ernayani, Robiyanto, &amp; Sudjinan, 2017). According to Khediri, Charfeddine, and Youssef (2015), there are many differences between sharia banks and conventional banks. For example, interest-based contracts in conventional banks are replaced by yield-based contracts with sharia banks, where profits and losses, as well as risks, are shared between creditors and borrowers. Sharia banking also could prevent money laundering and terrorism financing because sharia principles that become its foundation strongly prohibited sources of illegal financing as stated by Kordík and Kurilovská (2017), such as natural resource theft; drug, even alcohol trafficking; smuggling; extortion; and some illegal sponsorship. Sharia banking is not only an institution in the field of economy, but also as an institution that is responsible for maintaining moral and morals of society (Hassan &amp; Aliyu, 2018).</p> <p>Rivai and Arifin (2010) said that the function of sharia bank in general is almost the same as conventional banks, which are both intermediary institutions that collect funds from people who have excess funds and then channeled to communities in need of funds with the form of financing. The main difference is in the treatment and the type of return obtained by the bank for each transaction performed. Conventional banks earn profits based on interest income. Islamic banks derive from fee-base income, mark-up, and profit-sharing (loss and profit sharing). Sharia bank is a bank that operates without resting on interest. Sharia Bank is a financial institution with its main business is channeling financing as well as other services on payment transactions and money circulation where operates accordance Islamic principles (Muhammad, 2005).</p> <p>In Indonesia, sharia banking is still relatively early. The first sharia bank in Indonesia was Bank Muamalat which was established in 1992. The phenomenon of sharia banks became more attractive when sharia banks survived successfully during the Asian financial crisis of 1997-1998 and the global financial crisis 2007-2008, at which time banks conventional facing financial difficulties even to failure. Aysan, Mustafa, Ozturk, and Turhan (2013) argued that the Islamic banking system can contribute to boosting economic growth thanks to the sharing features that enable sharia banks to borrow for longer projects for better risk and returns. Jankelová, Jankurová, Beňová, and Skorková</p>
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		(2018) even stated that growing interest in creating various types of strategic partnership is conditioned by the creation and the course of the economic crisis. This various strategic partnership also could reached by using sharia based financing scheme which focused on profit sharing scheme rather than based on interest. This scheme also could use to SME's which according to Abbas (2018), play vital role in assisting and fostering entrepreneurial activity.
10.	The list of literature has to be accomplished by adding the latest sources	We add some latest sources as suggested
11.	The overall impression is that the paper is a bit superficial. Please elaborate explanation of specifics of functioning of sharia banks in comparison with conventional banking	<p>We add some explanation as suggested, as follows:</p> <p>Hassan and Aliyu (2018) stated that Islamic banking practices are arise from the need to apply the principles of sharia that are closely linked in the guide to Islamic ideology. The development of banking based on Islamic economic concepts and principles is an innovation in the international banking system. The characteristics of this sharia banking, operating on the principle of profit sharing (mudaraba) in the absence of interest (riba) it is because interest (riba) in the shariah law is prohibited (haram).</p> <p>According to Hassan and Aliyu (2018); Rivai and Arifin (2010), the differences between sharia and conventional banks are (1) Akad (agreement) and legality. Akad on Islamic banking has the consequences of the world and the afterlife. The contract is implemented on the basis of Islamic law. (2) Organizational structure. Sharia banks should have Sharia Supervisory Board as operational supervisor and bank products in line with Islamic law. (3) Businesses that are financed should be justified by the provisions of Islam. (4) Work environment and organizational culture. The nature of shidiq (honest), trustworthy, fathanah (intelligent, professional) and tabligh (communicative, friendly and openness) should be the foundation of Islamic banking practitioners.</p>