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REVIEWER'S REPORT

Manuscript No.: IJAR-58424

Title: Information Uncertainty and Expected Returns: Case of Korean Stock Market.

Recommendation:
Accept as it is ………………………………
Accept after minor revision………………
Accept after major revision ………………
Do not accept (*Reasons below*) ………

Rating	Excel.	Good	Fair	Poor
Originality	✓			
Techn. Quality	✓			
Clarity		✓		
Significance	✓			

Reviewer's ID: JPR-130

Detailed Reviewer's Report

1. Overall Evaluation

The manuscript entitled "Information Uncertainty and Expected Returns: Case of Korean Stock Market" examines the relationship between information uncertainty and stock returns in the Korean stock market using firms listed on the KOSPI and KOSDAQ exchanges over the period 2001–2020. The study measures information uncertainty through firm age, trading volume, and return volatility, and investigates whether higher information uncertainty is associated with lower expected returns and stronger momentum effects. The topic is relevant and contributes to the behavioral finance literature by extending evidence from the U.S. market to the Korean stock market. The research design is appropriate, the hypotheses are clearly stated, and the portfolio analysis provides useful empirical evidence. The study confirms that firms with higher information uncertainty generally experience lower returns; however, the expected momentum effect is not statistically significant. The manuscript is well organized and presents interesting findings. Nevertheless, several areas require improvement, particularly in the literature review, methodological justification, interpretation of results, and language quality. Overall, the manuscript makes a useful contribution but requires minor revision before publication.

2. Strengths

Relevance of the Study

The manuscript addresses an important issue in behavioral finance by examining how information uncertainty influences stock returns in an emerging Asian market.

Clear Research Objectives

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The objectives and hypotheses are clearly presented and directly linked to the research problem.

Strong Theoretical Foundation

The study is supported by well-established theories and previous literature on investor overconfidence, information uncertainty, and momentum.

Appropriate Research Design

The use of a large dataset covering twenty years (2001–2020) enhances the reliability of the empirical findings.

Comprehensive Empirical Analysis

The manuscript employs descriptive statistics, correlation analysis, single sorting, double sorting, triple sorting, momentum portfolio analysis, and robustness testing using the three-factor model.

Practical Contribution

The findings contribute to the understanding of investor behaviour and market efficiency in the Korean stock market and provide useful insights for researchers and investors.

3. Areas for Improvement

Literature Review

The literature review should include more recent studies published during the last few years. It should also compare previous findings more critically instead of mainly describing earlier research.

Research Methodology

The authors should explain why firm age, trading volume, and volatility were selected as the only measures of information uncertainty and discuss whether other proxies could improve the analysis.

Data Analysis

The statistical analysis is appropriate; however, the manuscript should provide clearer explanations for the non-monotonic relationship observed between information uncertainty and returns and discuss its implications.

Discussion of Findings

The discussion should compare the findings with more international studies and explain why the momentum effect was not significant in the Korean market.

Practical Implications

The manuscript should provide clearer implications for investors, financial analysts, and policymakers regarding investment decisions under information uncertainty.

Limitations and Future Research

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The limitations should be discussed in greater detail, particularly regarding the selected proxies for information uncertainty and the focus on a single country's stock market. Suggestions for future research should also be expanded.

Language and Presentation

The manuscript contains several grammatical errors, awkward sentence structures, and formatting inconsistencies. Careful proofreading and professional English editing would improve readability.