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Annotated Listing

Editor's Note

Our policy is to review all books which are either sent to us or in our opinion are useful to our readers.

Boudreau, John W. and Peter M. Ramstad; ***Beyond HR : The New Science of Human Capital;*** **2007, Harvard Business School Publication, Massachusetts, USA; pp.258, Price US$ 45**

The field of HR plays a critical role in the effective management and operations of the firm but its involvement is frequently fogged up with uncertainty and ambiguity due to the frequently unclear internal decision making logic of the HR field. Human Resource is considered to be the strategic partners by today's corporate world, considering its advantage which it lends to the company to have a distinctive competitive edge in the market. This makes companies think, if their talent strategy gives them a unique advantage.

Renee West, Luxor and Excalibur Hotel said "You can have the best strategy and the best building in the world, but if you don't have the hearts and minds of the people who work you, none of it comes to life." . As evident from the above quote of Renee West, One needs to strategically think about company's number one resource: its people. The book initiates the discussion with the Corning's case of requisite talent search in place of human resource planning. This case emphasizes hoe the traditional HR is beyond the age old rudimentary practices of human resource planning and like; thereby introducing the concept of "talentship". Authors provide the HR profession with the next step by providing intriguing decision making metrics surrounding the optimization of talent acquisition and development. To do this, they give a new decision science approach-Talentship. Through talentship, you move far beyond the merely reactive mindset of planning and budgeting of headcount and hiring and retaining talent. The authors clearly illustrate through practical examples how HR professionals with understanding of this could provide revolutionary possibilities with regard to their talent process and operational strategies.

With the examples of Corning and Hartford Financial Services Group, Inc., authors illustrate the advancements which HR field is making towards transforming into decision sciences that describe the logical connections between decisions about a vital resource and how they affect strategic success. At the same time it is made clear that this is future need and presently companies are thriving on traditional models too. The players which will adopt the new model will have the first mover advantage. The decision science approach can do wonders in the field of HR as the authors convincingly argue that applying a scientific logic to the resource of talent in a similar war to that which had occurred in the accounting and marketing disciplines would enable organizations competing for talent to refocus on reforming talent based decisions. This is further explained in the "Optimization theme"

The book proceeds with introduction the decision framework using the simple example of talent in Disney theme park and use it as a decision framework for the book. The HC Bridge framework reveals insights about talent decisions that defy conventional wisdom and uncovers opportunities for significant and unique competitive advantage. For example, HR practices—such as staffing, training and compensation-are often combined to synergistically enhance quality and performance. Henceforth each chapter focuses on a specific part of the framework and its implication; describing the impact, effectiveness, efficiency, talent and organization measurement. Using examples from more companies like Boeing, SAS and Starbucks, authors exhibit how HR professionals influence making decisions strategically. They also draw on leading research in strategy, economics and organization theory to provide a compelling new vision for HR's in the future.

Boudreau and Ramstad argue that too often talent investments are centered on the maximization of workforce attribute such as engagement, learning and performance. The authors stress that this view point is way far different than that of the operational decisions where we need to "optimize" rather than "maximise". Decision science approach in talent management requires shifting the attention to acquisition and development of talent in alignment with where it matters most to their strategic success. Further HR leaders are suggested to support business units or vital business function to embrace impact and apply lenses to find the pivot-points in the strategy which have implications beyond HR as in information technology.

Moving on with the aspects of the framework, authors come up with the proposal of "talent segmentations" which is a new and lucid idea which should be constituted by core talent decision in the organization. The authors provide the real life examples exemplifying how various common assumptions or approaches to talent management may require thinking as the HR profession transforms into a decision science approach. The authors rightly include the "zeitgeist" surrounding talent management and the war for talent by reframing the decision making process to provide a realistic picture of the talent segmentation importance. The authors put forward that critical success factors for future competitiveness will be found by selecting which talent wars to win by clearly distinguishing what is the important from what is "pivotal." The identification of "pivot points" and subsequent acquisition and development of pivotal talent is defined as "where specific improvements in talent and organization" performance will most enhance sustainable strategic success." Building on this argument, authors put forward the idea that organizations need to search deep for this pivotal talent and learn to make rather manage the disproportionate investments in talent in place of scattered investment funds. Talking about effectiveness, two elements Viz., actions/interactions and culture/capacity are focused upon. The need to identify critical employee behavior and collective characteristics is emphasized.

The aspect of effectiveness is dealt wherein it is asserted that logic of talentship decision framework and the decision science principles of optimization, segmentation and pivot points to decisions about policies, practices, and organisational design. Also there is a need of synergistic combination of policies and practices. Focus on efficiency is also discussed in line with the effectiveness and discussed as efficiency is driven by the prominence of accounting measures that track it. Authors have further used the example of Limited Brands to illustrate how a holistic approach to talent and organisation measurement must encompass all the elements of the LAMP framework. The authors conclude with the strong words of advice that "Talentship does little good if it is merely set of analytical tools that are never used."

A strong point of "Beyond HR" is that it is systematically organised around a framework that clearly puts forward the connectivity between HR practices, its effect on workforce leading to the subsequent strategic success of the organisation. It provides a breakthrough framework to manage talent, not just perform HR functions but applied business discipline to tradiontal HR functions in innovative ways, and acts as an eye opener to the vast future possibilites. It is an impeccable illustration of HR professionals vision as a strategic resource of an organisation. The book moves seamlessly from one aspect to another.

Does your talent strategy give your organization a unique advantage? It had better-because the competition is heating up. How to leave rival companies scrambling? Think more strategically about your company's number- one resource: its people. Do so, and you improve the quality of every decision that hinges on human capital-no matter where in your organization such decisions are made. In Beyond HR: The New Science of Human Capital, John Boudreau and Peter Ramstad show you how to do this through a new decision science-talentship. Through reactive mind-set of planning and budgeting. One can take a strategic approach to talent by asking savvier question, including. (a) do we know where our pivotal talent is in the organization? (b) do we invest differentially in our most pivotal talent-or do use the "peanut-better" approach, spreading investments evenly across the entire company? (c) Where does our business strategy require that our talent be better than our rivals? (d) If we changed or strategic goals, which of our talent pools would have to change the most ?

The book is of immense use of corporate professionals irrespective of their area of expertise and function as human resource is what they need to deal with. Also the academicians can make use of it to build the innovative framework of strategic HR and equip the future managers with this knowledge. Reserchers can benefit a lot by the novel concepts and ideas given in th book. HR practitioners, students of HR and MBA, professors and researchers can benefit a lot from the novel and innovative framework in placeof traditional framework. The book is a must read for students and any individual associated with the field of human resource capital.

Brealey, Richard A.; Stewart C. Myers; Franklin Allen and Pitabas Mohanty; *Principles of Corporate Finance*; 2016, Mcgraw Hill Eduction (india) Pvt. Ltd. Delhi, India, pp. 974, Price ₹ 750

Many financial decisions seem less clear cut than they were 20 or 30 years ago. It no longer makes sense to ask whether high payouts are always good or always bad, or whether companies should always borrow less or more. The right answer is "it depends". Therefore authors set out pros and cons of different policies. Authors ask "what questions should the financial manager ask when setting financial policy". Basic principles are the same now as then, but the last three decades have also generated important changes in theory and practice. Research in finance has focused less on what financial managers should do, and more on understanding and interoperating what they do in practice. In other words, finance has become more positive and less informative. For example, authors now have careful surveys of firms capital investment practices and payout and financing policies. Authors review these surveys and look as how they cast light on competing theories.

The book is about how corporations make financial decisions. Corporations invest in real assets, which generate income. Some of the assets are tangible assets such as plant and machinery; others are intangible assets such as brand names and patents. Corporations finance their investments by borrowing, by retaining and reinvesting cash flow, and by selling additional shares of stock to the corporation's shareholders. Thus the corporation's financial manager faces two broad financial questions: First, what investments should the corporation make? Second, how should it pay for those investments? The investment decision involves spending money; the financing decision involves raising it.

A large corporation may have hundreds of thousands of shareholders. These shareholders differ in many ways, such as their wealth, risk tolerance, and investment horizon. That is easy to say, but not very helpful. Instructing the financial manager to increase value is like advising an investor in the stock market to "buy low, sell high." The problem is how to do it.

This chapter begins with specific examples of recent investment and financing decisions made by well known corporations. The chapter ends by stating the financial goal of corporation, which is to increase and ideally to maximise, its market value. We explain why this goal makes sense. The middle of the chapter covers what a corporation is and what its financial managers do.

Financial managers add value whenever the company can earn a higher return than shareholders can earn for themselves. The shareholders' investment opportunities outside the corporation set the standard for investments inside the corporation. Financial managers therefore refer to the opportunity cost of the capital contributed by the shareholders.

Managers are of course human beings, with their own interests and circumstances; they are not always the perfect servents of shareholders. Therefore corporations must combine governance rules and procedures with appropriate incentives to make sure that all managers and employees – not just the financial managers-pull together to increase value.

The Book is divided into eleven parts. Every part contains a few chapters. These parts are segregated to emphasize the concept of corporate Finance and provide a complete structure and a way of learning it. Before the beginning of the concept, in every chapter some texts are highlighted with grey colour . This provides the reader a direction of learning. The rigour of the questions also is mentioned so that before answering a question the reader may revise the learning. There are a variety of questions really making the learning analytical. Inclusion of mini case study is really a welcome step as long cases are boring and does not arouse interest in the reader. Finance on the web provides an instant and accurate source of information to the reader. Functions of Spread sheets are actually making the learning up-to-date and applicable. Also it makes the practitioner more compatible to the structuring of corporate finance. Questions in the form of challenge really prepares the learner for answering the questions and it helps in the analysis. Questions are a mix of different variety. They are segregated on the basis of rigor behind the questions. Further reading provides a guidance to the reader for a deeper learning. The descriptions made are quite easy and deep rooted in meaning and knowledge. The last chapter is like an extra feather in the cap as it provides a revision of the concepts with a new meaning. It reinforces the learning of corporate Finance, and also it makes the concept easier for a person not from the same background.

The case study mentioned in the Book are quite useful and learning oriented as well as interesting. If some cases are from india it would make book relevant for Indians and Asians and will help enhance the learning. Quite a few sentences of the Book seem to be irrelevant or they can be avoided. The underlying theme of present theories, concept and practices will help practicing financial managers. It is an important resource for students of MBA, MBF, PGP Finance.

Colander, David C.; *Macroeconomics;* 9th Edition, McGraw Hill Education (India) Private Limited, Chennai, India; pp.539; Price ₹ 650

Economics is the study of how human beings coordinate their wants and desires, given the decision making mechanisms, social customs and political realities. Alfred Marshall said "In my vacations, I visited the poorest quarters of several cities and walked through one street after another, looking at the faces of the poorest people. Next I resoled to make as thorough a study as I could of Political Economy."

Institutionalist economists argue that any economic analysis must involve specific considerations of institutions. Veblen employed evolutionary analysis to explore the role of institutions in directing and retarding the economic process. He saw human behaviour driven by cultural norms and conveyed the way in which they were with sardonic wit and penetrating in sight, leaving us with enduring metaphors such as the leisure class and conspicuous consumption. Commons argued that institutions are social constructs that could improve general welfare. Accordingly, he established cooperative investigative programs to support pragmatic changes in the legal structure of government. Mitchell was a leader in developing economics as an empirical study; he was a keen observer of the business cycle and argued that theory must be informed by systematic attention to empirical data, or it was useless.

Contemporary Institutionalists employ the founders' "trilogy"—empirically informed evolutionary analysis directed toward pragmatic alteration of institutions shaping economic outcomes—in their policy approach. Examples include indicative planning—a macroeconomic policy in which the government sets up an overall plan for various industries and selectively directs credit to certain industries; and income support programs, including those assuring employment for all willing. Well-known Institutionalists include Greg Hayden, Geoff Hodgson, Anne Mayhew, James Peach, and Ronnie Phillips.

Radical economists believe substantial equality-preferring institutional changes should be implemented in our economic system. Radical economists evolved out of Marxian economics. In their analysis, they focus on the lack of equity in our current economic system and on institutional changes that might bring about a more equitable system. Specifically, they see the current economic system as one in which a few people—capitalists and high-level managers—benefit enormously at the expense of many people who struggle to make ends meet in jobs that are unfulfilling or who even go without work at times. They see the fundamental instability and irrationality of the capitalist system at the root of a wide array of social ills that range from pervasive inequality to alienation, racism, sexism, and imperialism. Radical economists often use a class-oriented analysis to address these issues and are much more willing to talk about social conflict and tensions in our society than are main stream economists.

A policy favored by many Radicals is the establishment of worker cooperatives to replace the corporation. Radicals argue that such worker cooperatives would see that the income of the firm is more equitably allocated. Likewise, Radical theorists endorse policies such as universal health care insurance that conform to the ethic of "putting people before profits."

Feminist economics have been given special focus in the book which offers a substantive challenge to the content, scope, and methodology of mainstream economics. Feminist economists question the boundaries of what we consider economics to be and examine social arrangements surrounding provisioning. Feminist economists have many different views, but all believe that in some way traditional economic analysis misses many important issues pertaining to women.

The book is outlined in twenty two chapters. Chapter one on Economics and Economic Reasoning deals with the discussion of induction, deduction, and abduction to simplify the presentation. Chapter two on The Production Possibility Model,Trade, and Globalization deals with the discussion of opportunity costs and its relationship to tradeoffs has been clarified. The "combined PPC with trade" diagram has been removed to simplify the discussion. The presentation now includes two simple graphs, each showing the production possibility curve for one country. The discussion allows the identification of a new level of possible consumption based on trade for each country separately. In chapter three, economic institutions, the discussion is on evolving economic systems by cutting the discussion of feudalism, mercantilism, and the Industrial Revolution. Chapter four on Supply and Demand focuses on the discussion of the shift factors of supply on technology. Chapter five on Using Supply and Demand replaces the example of the effect of Cyclone Larry with the more recent example of Hurricane Irene. Chapter six on Economic Growth, Business Cycles, and Structural Stagnation begins with the historical development of macro and its more recent development into modern models of the economy, and discusses the problems that the economy is presenting to macroeconomic policy makers. Chapter seven on Measuring the Aggregate Economy talks about the global dimensions of production and the problems that it can raise. Introductory discussion of exchange rates and of trade deficits and balance of payments issues have also been done.

The Chapter eight on Comparative Advantage, Exchange Rates, and Globalization is based on the new concepts to the chapter, including exchange rate determination and the distributional effects of international trade. It discusses how international adjustment are "supposed" to work in theory, but it also discusses how reality often does not quickly adjust, causing complications for economies when trade flows are unequal. It introduces the concept of import-led stagnation as the mirror image of export-led growth. Chapter nine on the Short-Run Keynesian Policy Model : Demand-Side Policies a simplified discussion of feedback effects in the AS/AD model to make the chapter easier. Chapter ten on the Classical Long-Run Policy Model : Growth and Supply-Side Policies brings forth a the major change is that it is simplified into a verbal discussion of economic growth and technological change rather than a graphical presentation. Chapter eleven on the Structural Stagnation Policy Dilemma relates the AS/AD model to the current problems facing the U.S. economy. The structural stagnation hypothesis is presented, and an explanation is provided for how globalization without international exchange rate adjustment can lead to sustained trade deficits and import-led stagnation. It provides a possible explanation of how the financial bubble occurred and how the bursting of that financial bubble left the U.S. economy in a weakened state.

Chapter twelve on the Financial Sector and the Economy relate to the problems the economy is currently facing. It provides a discussion of how consumer credit expanded tremendously between 1990 and 2007 and how that could have made the economy seem in better shape than it actually was. The more complicated money multiplier discussion with people holding cash is removed to simplify the analysis. The chapter ends with a short section on risk premiums on loans and the problems facing Greece and other European economies. In chapter thirteen on Monetary Policy explains how asset inflation presents significant problems for the conduct of monetary policy, and how the huge rise in excess reserves held by banks starting in 2008 limited the Fed's effectiveness in using conventional monetary policy tools. Chapter fourteen on Financial Crises, Panics, and Unconventional Monetary Policy focus is changed so that it is less on the lender of last resort function of monetary policy in a financial crisis, and more on post-crisis monetary policy where conventional monetary policy is ineffective. It presents the new policy tools that the Fed has introduced recently and includes a discussion of the need for, and problems of, financial regulation.

Chapter fifteen on Deficits and the Debt includes a new discussion of the financial risks of continued high deficits and the debate about how large government debt can be before it causes serious problems for the economy. The appendix on Social Security and Medicare has been cut to save space.

Chapter sixteen on the Fiscal Policy Dilemma updates to take account of recent events. It presents the debate about whether the U.S. debt will soon reach a tipping point that will undermine the sustainability of the U.S. economy. Chapter seventeen on Jobs and Unemployment is designed to relate the models presented in earlier chapters to the current problem of a jobless recovery that faces the U.S. economy. The chapter presents the debate about whether unemployment is an individual or social responsibility along with a provocative proposal to provide a guaranteed job for every person who wants one. It is worth looking at the work by Agarwal, Agarwal, Agarwal and Agarwal (2017) on "Theory of Employment, Wealth and Efficient Labour Market through National Labour Exchange (NLX) published in Finance India in Vol. 31 No. 3, September, 2017 in this regard. Chapter eighteen on Inflation, Deflation, and Macro Policy talks about the current problems the economy is facing. The chapter distinguishes asset price inflation and goods price inflation and relates the discussion to financial bubbles and bursting of those bubbles. The discussion of the Phillips curve is shortened.

Chapter nineteen on International Trade Policy looks more closely at trade and trade policy. Chapter twenty on International Financial Policy discusses the determination of exchange rates. The discussion of the advantages and disadvantages of a common currency is modified to account for recent problems in the European Union. Chapter twenty one on Macro Policy in a Global Setting and Chapter twenty two on Macro Policy in Developing Countries highlight the complexities economies are flushed with in global scenario.

There are many ways to explore economics, and in your exploration, this text and accompanying package is only a map. You and your professor determine what you discuss and learn and what path you will take. Ultimately, that's the way it has to be. Most of you are in this course for the grade—college is a way of progressing up the ladder. That's how it was for me. But the process also can be transforming; it can change how you look at issues, how you think, and who you are. The economics courses one take is especially important in determining who one becomes.

Much of the principles course is what we call hurdle jumping—calisthenics of the mind. It is a set of mind strengthening exercises. Separately, each is not especially relevant, but combined, they help turn your weak cranial muscle into a strong muscle better able to handle the problems that life throws at you. So, do the work, even if it seems boring; follow your professor's reasoning, even if you don't agree with what he or she is arguing; and keep thinking. Take advantage of this product's digital tools, even if they aren't required. Read newspapers and try to apply the lessons, deciding when they apply and when they don't. But, in the process, be happy—enjoy the moment because that moment will never be again.

The book is highly relevant for MBA students looking at the globe as a level playing field. Professor and researchers will find the text of interest to clarify their concepts and fine tune teaching.

Agarwal, J.D.; *Security Analysis;* 2005, IIF Publications, Delhi, India, pp. 423, Price ₹ 450

Security analysis and portfolio management has undergone a tremendous change and has gradually emerged as an exciting and important area within the field of finance and investment. Investing is a rational decision making process in which the investors attempt to select a portfolio of securities that maximise their pre determined set of goals. The investor's goals are usually expressed in terms of returns and the degree of certainty about the return or risk.

Initially most of the researches in the area of Security Analysis and Portfolio Management which began with the work of Hary Markowitz are usually discarded for being theoretical and having no practical utility. There existed a dire need for books which could synchronise the practical implementations of the theoretical aspects of security analysis and portfolio management. There are people world over who continuously strive to update themselves with the latest research techniques and their practical utility.

The book includes the following article: "Security Analysis & Portfolio Management: A Review" by J.D. Agarwal; "Equity-Investment and Economic Growth in India: 1970-1991" by V.N. Attari and Neera Verma; "Approximate Calculations for Portfolio Analysis Problem", Pritibhhushan Sinha; "Financial Innovations in the India Capital Market During the last Decade" by M. Thiripalraju; "Some Critical Issue on the Globalisation of Indian Capital Market" by Sukumar Nandi; "Money Market Mutual Funds (MMMF) Initiative in India" by G.C.R. Jaiswal; "Emerging Trends in Capital Markets Public Sector Enterprises" by S. Saroja; "CRISIL Rating in India: A New Financial Service in Capital Market" by Mohd. Akbar Ali Khan; "Portfolio Management of Life Insurance Corporation of India" by Vijay Singh Negi and A.K. Sarkar; "International Diversification for Indian Portfolio" by Bhaskar Dasgupta; "A Case Study of Failed Call Options Market" by M. Ariff, P.K. Chan and L.W. Johnson; "Globalisation of Finance: Role of Interest and Currency Options and Futures" by Malati Anagol; "Pre-Buyout Bondholder's Reaction to Leveraged Buyouts" by Jandhyala L. Sharma and Judy A. Kirchick; "Weak Level Efficiency of Indian Stock Markets — — A Survey" by O.P. Gupta and Amitabh Gupta; "Impact of Future Oil Prices on Stock and Bond Markets During the 1990-91 Persian Gulf Crisis" by R.S. Rathinasamy, Gordon D. Burgin, Grant J. Wells; "A Study of the Inter-relationship Between the Call Money Market and Stock Market in India" by V. Gopal and S. Srinivasa; "Stock Market Returns, Inflationary Expectations and Real Activity: Evidence from India" by Rinjai Chakornpipat, Arjun Chatrath, Ravindra Kamath & Sanjay Ramchander; "Share Market Dynamics and Corporate Financial Policies" by Bhavesh M. Patel; "Globalisation of Emerging Equity Markets" by N. Vinayakam and B. Charumathi; "Information Content of Financial Statements and Equity Stock Prices in India" by K. Chandra Sekhara Rao and M. Manickaraj; " Behaviour of Equity Share Prices in India — — A Micro Time-Series Study" by R.P. Mahapatra and Promod K. Sahu; "Capital Asset Prices with and without Negative Holdings" by William F. Sharpe; "The Weekend Effect on Daily and Weekly Stock Returns: A Comparison" by Gordon Y.N. Tang; "The Impact of Market & Industry Factors on Equity Returns" by M. Obaidullah and Ashok Mohanty; "The Adjustment of Stock Prices to Corporate Financial Policy Announcements" by S. Narayan

Rao; "Relative Influence of Market Volatility, Economic Changes and Company Fundamentals on Equity Returns I India : A Study" by K. Chandra Sekhara Rao and Sunny Jose; "Thinness of Trading in Equity markets— — Evidence and Procedure for Correction of its Effects from an Asia— — Pacific Market" by Mohamed Ariff; "Interdependencies Between the U.S. and Three Major European Equity Markets" by Thomos Roeder and Allan Young; "Duration of Common Stocks in Singapore" by Mohamed Ariff and Ong Kar Imm; "Stockbroker's Recommendations and Share Picking Expertise in Singapore" by Mohamed Ariff, Kenneth K.L. Goh and Lester W. Johnson

It is difficult or almost impossible to have an access or consult professional and academic oriented journals regularly, and the benefit that the society might derive from the hidden wealth of research work remain untapped. Author has carefully selected thirty articles in the area of Security Analysis and compiled them in the book. The book present a gold mine of research undertaken and published by various academicians and scholars all across the globe. An extensive Bibliography on the subject and subject Index has been added at the end of the book.

The objective of the book is not to replace the existing text books on the subject but to supplement them with additional reading material. It is an attempt to bridge the gap between the conceptual theories of Security Analysis and Portfolio Management and their practical applications.

The book is intended to be useful for executives working in industry, banks, financial institutions, corporations, securities market, students of professional courses like MBA, PGDBF, MBF, PGDM, MFC, CA, ICWA, CS and other banking and professional examinations and to those individuals who seek to manage their personal portfolios more effectively.

Salgado, Ranil; ***Regional Economic Outlook : Asia and Pacific (Preparing for Choppy Seas)*****; April 2017; World Economic & Financial Survey, International Monetary Fund, IMF Publications Division, Washington DC, USA, pp. 106, Price US$ 31**

The IMF Report highlights that the outlook for the Asia-Pacific region remains robust—the strongest in the world, in fact—and recent data point to a pickup in momentum. The near-term outlook, however, is clouded with significant uncertainty, and risks, on balance, remain slanted to the downside. Medium-term growth faces secular headwinds, including from population aging and sluggish productivity. Macroeconomic policies should continue to support growth while boosting resilience, external rebalancing, and inclusiveness. The region needs structural reforms to address its demographic challenges and to boost.

The Asia-Pacific region continues to be the world leader in growth, and recent data point to a pickup in momentum. Growth is projected to reach 5.5

percent in 2017 and 5.4 percent in 2018 which is quite conservative, given that the engine of growth for the World is the Asian Region. Accommodative policies will underpin domestic demand, offsetting tighter global financial conditions. Despite volatile capital flows, Asian financial markets have been resilient, reflecting strong fundamentals. However, the near-term outlook is clouded with significant uncertainty, and risks, on balance, remain slanted to the downside. On the upside, growth momentum remains strong, particularly in advanced economies and in Asia. Additional policy stimulus, especially U.S. fiscal policy, could provide further support. On the downside, the continued tightening of global financial conditions and economic uncertainty could trigger volatility in capital flows. A possible shift toward protectionism in major trading partners also represents a substantial risk to the region. Asia is particularly vulnerable to a decline in global trade because the region has a high trade openness ratio, with significant participation in global supply chains. A bumpier-than-expected transition in China would also have large spillovers. Medium-term growth faces secular headwinds, including population aging and slow productivity catchup. Adapting to aging could be especially challenging for Asia, as populations living at relatively low per capita income levels in many parts of the region are rapidly becoming old. In other words, parts of Asia risk "growing old before becoming rich." Another challenge for the region is how to raise productivity growth—productivity convergence with the United States and other advanced economies has stalled—when external factors, including further trade integration, might not be as supportive as they were in the past. On policies, monetary policy should generally remain accommodative, though policy rates should raised if inflationary pressures pick up, and macroprudential settings should be tightened in some countries to slow credit growth. Fiscal policy should support and complement structural reforms and external rebalancing, where needed and fiscal space is available; countries with closed output gaps should start rebuilding fiscal space. To sustain long-term growth, structural reforms are needed to deal with challenges from the demographic transition and to boost productivity.

The Chapter 2 on Asia: At Risk of Growing Old before Becoming Rich? findings are that (a) Asia is aging fast. The speed of aging is especially remarkable compared to the historical experience in Europe and the United States. As such, parts of Asia risk becoming old before becoming rich. The region's per capita income relative to the United States stands at much lower levels than those reached by mature advanced economies in the past. In a global context, Asia is shifting from being the biggest contributor to the global working-age population to subtracting hundreds of millions of people from it; (b) Asia has enjoyed a substantial demographic dividend in past decades, but rapid aging is now set to create a demographic tax on growth. Demographic trends could subtract ½ to 1 percentage point from annual GDP growth over the next three decades in post-dividend countries such as China and Japan. In contrast, they could add 1 percentage point to annual

GDP growth in early-dividend countries, such as India and Indonesia, if the transition is well managed. Overall, however, demographics are likely to be slightly negative for Asian growth and could subtract 0.1 of a percentage point from annual global growth over the next three decades (or 0.2 of a percentage point if early-dividend countries are unable to reap the demographic dividend). In several Asian economies, immigration—if past trends continue—could play an important role in softening the impact of aging or prolonging the demographic dividend (Australia, Hong Kong SAR, New Zealand, and Singapore); (c) In cases in which structural excess savings and low investment due to demographics lead to such a low real neutral interest rate that monetary policy may no longer stimulate the economy, the economy may operate below potential, keeping inflation under the central bank's target (see Box 2.1 for the case of Japan). This raises the risk of Asia falling into a period of "secular stagnation" at a lower income level compared to advanced economies and smaller policy buffers; (c) The diversity of demographic trends in the region creates opportunities for capital flows and crossborder risk sharing—that is, savings from surplus countries can be used to fulfill capital needs in younger economies. Projections based on the IMF's External Balance Approach (EBA) model suggest that, over the next decade, surpluses of some Asian economies are projected to increase due to demographics. However, the impact is material only for a small set of countries, and the overall effect on global imbalances is likely to be limited (about 0.1 of a percentage point of global GDP over the next decade); (d) demographic trends are likely to put downward pressure on real interest rates and asset returns for most major countries in Asia. These domestic effects are likely to be less important for countries that are financially open. For those, changes in the world interest rate—which may in turn be driven by global aging trends—will likely matter more.

In Chapter 3 on the "New Mediocre" and the Outlook for Productivity in Asia the reports explores the following questions and leaves it for the reader to make assement and introspection at national levels (a) Has there been a productivity slowdown in Asia similar to that in advanced economies? If so, how large and extensive has it been? What have been the implications for convergence? What is the outlook for productivity?; (b) How much of the slowdown can plausibly be attributed to external factors? How does it compare to the extent to which the slowdown can be attributed to domestic factors? ; (c) Is there an investment malaise in Asia and can it be related to that in advanced economies elsewhere? How important is foreign direct investment (FDI) as a driver of business investment?

On policies, appropriate demand support and structural reforms are needed to reinforce growth momentum where it is weak. Monetary policy should remain accommodative, given that inflation is below target and there is slack in most economies in the region. However, some central banks should stand ready to raise the policy rate if inflationary pressures gather pace. Some others need to tighten macro-prudential settings and gradually raise interest rates to slow credit growth. Fiscal policy should support and complement structural reforms and external rebalancing, where needed and fiscal space is available. At the same time, countries with closed output gaps should start rebuilding fiscal space. Delivering on medium-term fiscal consolidation plans is also critical in some countries, especially where debt levels are high and fiscal credibility needs to be enhanced. Structural reforms are needed to help reduce external imbalances, mitigate domestic and external vulnerabilities, and promote faster and more inclusive growth. The appropriate policy mix varies across economies, depending on the output gap, policy space, and reform priorities, as well as the need for external rebalancing.

In addition, addressing vulnerabilities while safeguarding against external shocks will help preserve financial stability. Exchange rate flexibility should generally remain the main shock absorber against a sudden tightening in global financial conditions or a shift toward protectionism in major trading partners. Policymakers should continue to rely on macro-prudential policies to mitigate systemic risks associated with high corporate and household leverage and rising interest rates, while over time addressing underlying balance sheet vulnerabilities. Macro-prudential policies could also be used to increase the resilience to shocks, including shocks associated with reversal of capital flows.

To sustain long-term growth, structural reforms are needed to deal with challenges from demographic transition and to boost productivity. Given the rapid pace of demographic transition, policies aimed at protecting the vulnerable elderly, raising labor force participation (especially for women and the elderly), and boosting potential growth take on a particular urgency. Priority structural reforms to tackle these challenges include labor market and pension system reforms. Macroeconomic policies should adjust early on before aging sets in, particularly with a view to safeguarding debt sustainability. The other major policy challenge is to raise productivity when external factors might not be as supportive as in the past. Overall, the empirical results stress the importance of openness and foreign direct investment (FDI) in boosting productivity, particularly for emerging market and developing economies. In these economies, the priority should be to capitalize on recent achievements, including with respect to increased FDI inflows, through further increases in absorptive capacity and domestic investment. Advanced economies should focus on strengthening the effectiveness of research and development spending and taking measures to raise productivity in the services sectors, as well as supporting trade integration and liberalization in services.

IMF has chosen the perfect topic "Preparing for Choppy Seas" for the Asia and Pacific in their Regional Economic Outlook, given the economic trends and growth prospects. The report is well documented and elaborately discusses the challenges and opportunities before Asia and those interested in the Region. The Report is highly relevant for researchers, policy makers and developmental economists. The text is an important read of students of MBA, International / Developmental Economics and Managers who plan to function in this Region. Investors (Institutional / Individuals - HNIs) would also find the report of high relevance given the fact that Asia in the last decade has emerged as the engine for growth for large part of the World Economies.

Agarwal, J.D. and Aman Agarwal; *Literature in Finance : Financial Systems and Markets (Vol. III)*; 2004, IIF Publications, Delhi, India, pp. 230, Price ₹ 230 or US $ 23

Financial systems and markets play a critical role in promoting industrialization in economic development in country by facilitating mobilization of capital for large investment. These also act as center poverty reduction as they directly benefit not only the rich but also the poorer segments of society. It has been widely observed in research studies that the serve the cause of income re – distribution as well. One of the important functions of financial systems and financial markets is to shift risk to those willing to bear it. For strong financial systems one requires, supporting financial institutions and well developed financial markets to reduce the cost of borrowing, lending and facilitating financial transaction. Financial system include banks, insurance companies, provident and pension funds, mutual, funds ,cooperative banks, credit unions, intermediaries and the securities markets. Financial system vary across countries with varying economic outcomes. Generally, banks and financial institutions dominate most of the formal financial system. Lately it has been observed that the stock markets are gaining importance, particularly with international capital flows, with the inflow of foreign investment institutions presence in the stock market. Stock markets in various developing regions of the world have turned to be extensively correlated with the economic growth and financing means for corporate world.

Finance has emerged as one of the most vital component for growth and development. Its emergence as a discipline in the last quarter of the 20 century brings fourth it's vitality. Finance, one of the most-scare resources, has been the greatest facilitating factor in the growth and the development of an economy, firm, corporate and even an individual.

In the current era of liberalization and globalization of financial market, economies of developing countries have become highly vulnerable to speculative capital movements generated due to inflows and outflows in an economy. The economic crisis in the Mexico in 1994,more recently the currency crisis in the east Asian countries in 1997,the Russian crisis of 1992 and 1998 ,the Brazilian crisis in 1991 & the Argentinean crisis of 2001 have highlighted and evoked intense concern on the importance of a stable and strong Financial systems and market. This would be possible when an economy has an appropriate monetary and fiscal policy projected and observed by the Central Bank and the Ministry of Finance. The importance of a prudent regulation of the domestic financial & banking sectors is pertinent and goes hand in hand with the above policy framing bodies.

The complexity in the Financial systems and market risks associated there of and the need for large funds and regulation has evoke interest of researchers in this field. Keeping in view the need and complexity, we have presented in this volume a compendium of literature which has appeared worldwide on different aspects of Financial systems and markets.

There are a large number of text books as well as research studies, available in finance. But to the best of our knowledge there is no compendium presenting at one place the literature available on Finance, recognizing the fact that there exist time trap in the research being done, published in journals and included in book. The benefits which the society may derive from serious research remain untapped and the findings based on hard labour and serious research efforts of researchers decorate the columns of professional and academic research journals which is turn either pile dust in some obscure corners of the libraries or decorate the offices of senior professors.

The authors have tried to fill this gap by attempting to present in this volume the latest state-of-the art in Finance. The volume includes extensive bibliographies on different aspects of Finance. The compendium focuses on Indian Financial System, Financial Markets, Financial Institutions & services, Merchant Banking, Venture Capital, capital market, Financial Services, leasing Finance, banking, IT MIS & Bank productivity and bank investment Fund management in this issue of the series on "Literature in finance".

The book intends facilitate to professors, researchers, post graduate students for ready referencing to further their academic and research activities / endeavor to get access to works being done internationally at one place on the above topics. It should also act as a medium for existing work as an appropriate outlet for dissemination. The book would be useful for researchers, doctoral students, practicing manger, CA, CFA, CS, ICWA, finance executives working in the financial services sectors, banks, financial institutions, corporations and students of finance (MBF, MBA Finance, PGDM, M.Sc. Finance and Ph.D. Finance).