Managerial Economics by Dr. P. L. Mehta, Sultan Chand & Sons, New Delhi. Price: Rs. 57.75

By and large managerial economics acts as a bridge between economic theory and financial management. It helps the economist to appreciate the problems of financial management encountered in real life business environment and the Financial Manager to understand the theoretical foundations of many techniques adopted by him for decision-making purposes. Dr. Mehta's voluminous book is meant primarily to cater to the needs of the student community and also to the practising managers and managerial economists as the author himself has stated in the preface.

The book has been divided into eight parts—Introduction, Demand Analysis, Production and Cost Decisions, Pricing and Market Promotion, Profit Management, Long-run Decisions, Macro Economic Conditions, Quantitative Techniques—followed by three Appendices, one on case study method, the second on review questions and the third on present value tables. The author has followed an innovative approach in pagination by linking the page number to the part under consideration. A perusal of the book, no mean task by itself considering its size, indicates the pains taken by the author in trying to cover a whole lot of ground in a manner that is appealing to the students. The number of questions and exercises given at the end of each part are meticulously chosen from the questions set by different Universities earlier. The book would certainly help the students.

Perhaps the author's motivation to cover many areas may have adversely affected the depth of the subject. A few examples are cited below so that in the next edition the contents of the book can be improved further. In the section on the business firm and its objectives the shortcomings of project maximisation models have been justifiably criticised. No attempt has been made to discuss the relative superiority of wealth maximisation models. This could have provided answers to many questions raised in connexion with profit-maximisation models.

The section on methods of evaluating investment proposal is by-far the weakest area in the book. The terms 'income' and 'cash flow' have been used synonymously which can create conceptual confusion in the minds of the reader. For instance on page 6.23 the computation of ARI can be cited as an example of the author's misconception about 'net income' and 'cash flow'. The same misconception is carried over to what the author states as 'The modern techniques of investment evaluation'. On page 6.25 the author states "Once all future profits have been discounted to their present value this can be compared with the initial outlay to discover if the project is profitable, i.e. to find the net present value". The author would do well to revise this part thoroughly if he seriously wants to help the student community.

Nowhere does one find a list of references which the author must have in mind while preparing the manuscript of the book nor any index of terms and authors.

The criticisms outlined above are made with a view to drawing the attention of the author as also the Publishers to improve upon an otherwise well-written book.

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Economic Development, Social Structure and Population Growth by Victor S. D'Souza. Sage Publications, New Delhi: 1985

In the Social Sciences interdisciplinary studies can certainly aid our understanding of the behaviour of homo sapiens, behaviour of groups and behaviour of individuals in relation to other individuals. This venture is to be welcomed in that context.