endowment of a certain good, rather than the initial endowments being dispersed among many traders. To quote the author," ...while only the competitive allocation would remain in the core when the initial ownership of both goods is adequately spread, monopoly generates possibilities of exploitation in the core in the favour of the monopolist, compared with his utility at the competitive solution".

There are a couple of typographical errors in this chapter which should be corrected in a later edition. For example, the solution to the maximization problem on page 83 is (1/2pn, 1/2n), and not {(1/2)pn, (1/2)n}} as in the text. Moreover, some of the references in the book are to papers written in French, which might be inaccessible for the general reader.

Prof. Gabszewicz's book is going to be very useful as a supplementary text in courses on Microeconomics or Industrial Organization. In particular, the numerical examples used in the various chapters will be extremely useful as pedagogical tools. At the end, one is left feeling that Prof. Gabszewicz might have invested more time in amplifying some of the topics and giving more detailed derivations, perhaps in appendices. This would have definitely been more helpful to both teachers and students.

Anindya Sen
IIM Calcutta

Quantitative Methods for Valuation of Financial Assets by A. S. Ramasastri, Response Books – A Division of Sage Publications, New Delhi, 2000, Rs. 325 (cloth) and Rs. 175 (paper).

The book is meant for practioners who need to value financial assets. The author has answered 100 questions selected by him in the area of bonds, equities, portfolios and options.

The author has explained application of spreadsheets using MS Excel for quick calculation of financial returns, indicators etc. This will certainly help the practising professionals and managers.

It is difficult to teach all the nuances of valuation of bonds, equities, portfolios and options in a 200 page book. The author has also not tried to do that. Hence, the utility of the book will be more as a quick reference to some concepts and as a help in calculating certain figures, coefficients etc.

The author has covered only the options in the area of financial derivatives. The book is on valuation of financial assets and hence, in my opinion, derivatives like futures, forwards and swaps should also have been included.

The author should have been more careful in discussing some of the concepts. He has assumed that stock prices follow normal distribution to derive the BSOPM (p. 148). The distribution assumed by Fischer Black & Myron Scholes is, in fact, lognormal. The formula used by the author to explain the model is for a non-dividend paying stock, which has not been mentioned anywhere in the answer to question 74.

However, the book, on the whole, will be useful to practising chartered accountants, analysts, bankers etc. looking for a quick understanding of some of the quantitative tools for valuation of financial assets.

B. B. Chakrabarti
IIM Calcutta

Knowledge Management : Enabling Business Growth by Ganesh Natarajan and Sandhya Shekhar, Tata McGraw Hill Publishing Company, New Delhi, 2000, p. 236.

The book under review deals with an interesting phenomenon — a phenomenon that is as old as humanity itself and yet, in this information technology era, is being looked upon as something entirely new. The authors have taken it upon themselves to demystify this phenomenon through this book. Prof. Nitin Nohria of the Harvard Business School, has written a foreword for the book.