

The subject of risk analysis and its relationship to finance is explored. This is followed by four detailed case studies. Each study is described in detail, followed by a critical discussion by the authors which gets quite damning in places, but it successfully raises a number of issues to consider when embarking on this kind of analysis.

The book ends with a discussion on the management of the risk analysis process and strategic decision making in general. Some common criticisms of risk analysis are listed, and then counter arguments are supplied.

This book breaks no new theoretical ground but it does give a good understanding of the topic. It is so practical that you could show it to some of your client managers with confidence.

HOWARD CARTER

Time Series Analysis: Theory and Practice 4

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The 8th International Time Series Meeting (I.T.S.M.) and 3rd American Conference took place in Cincinnati, Ohio, 19th-22nd August 1983. This book contains a selection of papers contributed at that meeting. It also contains abstracts of those papers not included in the proceedings.

The objective of the Conference was to "address recent developments in the theory and practice of Time Series Analysis and Forecasting (T.S.A. & F.) and to bring together practitioners from diverse parent disciplines, work environments and geographical locations". Reading this book leaves one in no doubt that this objective was nearly, if not outrightly, achieved. The published contributions come from Austria, Belgium, Canada, China, Japan, Nigeria, U.K. and U.S.A. Fields of application range from chemistry, economics, engineering and oil to medicine. There is an interesting paper by Lucille and William Terry on "The relationship between economic activity and women's skirt geometry" and an authoritative "Rational expectations formulation for the deference of drunken driving" by Llad Philips and Subhash C. Ray. The strongest theme to emerge is multivariate time domain modelling of economic data, which includes several contributions from the Chicago School led by Houston H. Stokes. The preponderance of specific practical applications of T.S.A. & F. models in this volume is perhaps an indication of the fact that the art and science of forecasting has come of age. Not unlike the previous three volumes, this book tries to strike a balance between dense algebra and light narrative but fails to do so in several places. I suppose this is inevitable in what is still a highly technical field.

I would recommend this book to anyone who wants to keep abreast of developments in the field of time series analysis and forecasting. One thing which could discourage the potential buyer is the price - U.S.\$72.25. I would like to suggest that future volumes be published in soft cover with a view to making them affordable.

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