**THE VALUATION OF SHARES
AND THE
EFFICIENT-MARKETS THEORY**

STUDIES IN FINANCE AND ACCOUNTING

General Editors: M. J. Barron and D. W. Pearce

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The Valuation of Shares and the Efficient-Markets Theory

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General Editors' Preface

The last few years have been very exciting for research in finance and accounting. An enormous amount has happened, and in many cases traditional thinking and traditional solutions have been completely overthrown. At the same time it is quite clear that research into the theory and, perhaps even more important, into British empirical evidence, will continue to accumulate rapidly. While this is fine for the researcher in his detailed specialist world, it is not so good for the student who wants to acquire a relatively straightforward but up-to-date overview of the subject.

The 'Macmillan Studies in Finance and Accounting' set out to provide short, reasonably critical surveys of the developments within the various specialist areas of business finance and accounting. The emphasis in each study is upon recent work, but each topic will generally be placed in a historical context so that the reader may see the logical development of thought through time. Selected bibliographies are provided to guide readers to more extensive works. Each study aims at a brief treatment of the salient problems in order to avoid clouding the issues in too much detailed argument.

Unfortunately it is inevitable that in a few areas the level of mathematics will be rather near the limit for some students. This is because the rigorous methods of statistics, econometrics and mathematical economics have made a considerable contribution to the research achievements in the subject. Thus, although all the authors in the series have tried hard to make their presentation as lucid as possible, there is a point beyond which mathematical arguments cannot be explained non-mathematically except at a superficial level. Nevertheless intuition can go a long way and many students, even with very little mathematical background, have

found that the intrinsic fascination of the subject more than compensates for the occasional difficulty.

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