takeover of companies, these opinions are designed to give additional assurance to the purchaser that no unforeseen legal problems are likely to arise. The use of closing opinions has spread to Australia and accordingly, the book provides both a short discussion of their use as well as a few samples. Perhaps, in time to come these will be used in Singapore as well.

The appendices are thorough and contain a checklist for the purchase of a business, an agreement for sale and purchase of a business, a completion agenda for the sale and purchase of a business, a checklist for the purchase of a company, an agreement for the sale and purchase of shares, a completion agenda for the sale and purchase of a company and sample closing opinions.

All in all, despite the difference in law between Australia and Singapore, this book is useful and informative in providing practical advice and indicating the possible difficulties that might be encountered.

TERENCE TAN

THE M & A HANDBOOK: STATEGIES OF THE MAJOR EXPONENTS. By MARC BOSC, PHILIPPE GALLICE AND MARIE-PIERRE JEUX. [London: IFR Publishing Ltd. 1990. 174pp. (including index). Softcover.]

SOME "handbooks" today are not very handy unless one is born with grossly oversized hands. Calling this publication a handbook, however, is not a misnomer. The authors' style is succinct, sometimes, unfortunately, to the point of being a little abrupt.

The book starts off with four very impressive "Contents" pages whetting the appetite of any avid follower of merger and acquisition ("M & A") activity. The first chapter presents some statistics on M & A activity in several countries. The following chapters deal with topics like the motives for M & A activity, the financing of M & A activity, how target companies are valued, the procedures and regulations governing M & A activity in France and the United States of America, the parties involved in M & A activity and the consequences of M & A activity. The book then closes with case studies on the M & A climate in the United Kingdom and Japan. For a book of its size, the extensive and perhaps somewhat ambitious contents listing results in an over-proliferation of headings and sub-headings in the text itself. It is, therefore, not uncommon to see headings followed by two to three short lines of text below them. This affects the overall flow of the work.

Despite the impressive listing of contents at the start of the book, any reader who is seeking a detailed discussion of takeover techniques and strategies will be sorely disappointed. For instance, while the book discusses briefly the economies of scale that could result from the acquisition of a company (in the course of discussing some of the possible motivations behind M & A activity), it fails to consider the limits of such economies, that is, the fact that over-expansion may lead to "negative economies of scale" and the reasons for this. Little is also said of the various structural shapes a transaction could take. For instance, there is no discussion of the strategic significance of "toe-hold" acquisitions or the advantages of triangular or reverse triangular mergers. The discussion of defensive tactics also leaves the reader's appetite rather unfulfilled. For instance, the intricate workings of the most popular (and arguably the most effective) mode of defence available to companies today, namely the poison pill, is given only three short sentences worth of discussion. Nothing is said of the multiple variants of the poison pill (such as the "flip in" and the "flip over" pills) that have developed to date. To be fair to the authors, however, they do state in the "Introduction" to the book that their work stresses "economic and social implications, rather than financial or fiscal techniques". In this respect, the sub-title of the book is, perhaps, somewhat misleading.

In its attempt to deal with the economic and social implications of M & A activity, the book meets with greater success. The chapter on the consequences of M & A activity is an attempt to achieve this goal. Perhaps the most interesting chapters in this aspect of the book are the case studies on the United Kingdom and Japan. In the case study on the United Kingdom, the authors propound that the next major wave of M & A activity will sweep the United Kingdom, citing in the process various factors to substantiate their prediction. The case study on Japan makes interesting reading as it attempts to highlight how cultural distinctives in Japan would call for specific approaches in the structuring of M & A transactions there. While the issue may not be conclusively settled, a discussion of the positive and negative effects of M & A activity on society as a whole would have been welcomed, which the book, unfortunately, omits.

The book offers a good source of statistics on M & A activity in various countries including West Germany, Italy, Spain and Japan. This is presented in the form of tables, flow charts, bar diagrams, pie charts and line graphs. In this sense it is unlike most books in this area. The book also abounds with real life examples of M & A transactions although these tend to be treated too briefly in most cases. Particularly useful is a checklist of questions for an acquiror to ask of itself and of the target corporation in the process of identifying a suitable target for acquisition or merger. The chapter on the value of a company is useful to one uninitiated in the significance of accounting ratios. Written in the same succinct style that pervades the whole book, the authors set out the most commonly used accounting ratios and explain their economic significance.

On the whole, the book promises more at first sight than it delivers. Those with an average understanding of M & A activity will find the book only mildly enlightening. It is, however, a suitable introduction to the subject for the novice. Nonetheless, despite its shortcomings, any literature such as this which attempts to spread knowledge in this field, where knowhow tends to be jealously guarded by the experts, is certainly welcomed.

LEE BENG TAT

INTERNATIONAL CORPORATE FINANCE. By MICHAEL T. SKULLY (Ed.) [Australia: Butterworths. 1990. 435 pp. (including index). Softcover: A$59.50.]

FOR this book, Mr. Skully has gathered an impressive cast from the financial sector. The expertise gleaned from players in the market - lawyers, accountants and bankers among them - shows through in the treatment of various topics. There are also contributions from academics, and these do not detract from the essentially practical flavour of the book. Being intended as a "handbook for Australian business", a number of pages have been set aside to put the subject in an Australian context. Australian law and current Australian business inclinations form the backdrop of many discussions. However, the nature of the subject is such that a substantial part of the book is devoted to topics of universal application.

Like many books on this subject, the emphasis is on the euromarkets and euromarket instruments. These instruments include euro-commercial paper, euro-notes and eurobonds. Considerable attention is given to a wide spectrum of international financing methods and their related activities. Loan syndications, cross-border leasings, cross-border mergers and international trade financing are not overlooked. Likewise, the very important question of managing foreign exchange risk is addressed in two chapters encompassing swaps and other hedging techniques.

Mr. Skully, like most writers in this field, attributes the growth of the eurocurrency market primarily to restrictive governmental policies, particularly those of the U.S. government. The origin of the eurodollar market, a term used to refer to the market for U.S. dollars deposited outside the U.S., is traced back to 1949. At that time, at the height of anti-communist sentiments in the U.S., the communist government of China feared that its U.S. dollar holdings would be frozen in war settlement litigation in the U.S. Consequently, it transferred its U.S. dollar holdings to a Soviet government-owned bank in Paris. The cable address of the bank was "Eurobank", thus giving birth to the name "Euromarket". Much as the book makes of governmental policies, however, it may well be that the eurocurrency market was inevitable. The rapid growth in international trade, the dismantling of trade barriers, the quantum leaps taken by communications and computer technology and the reach of multinationals meant that a move towards international financial markets was but a concomitant