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 of the globalisation process.

Speed is a prominent characteristic of the international financial market. Transactions are completed within very tight time frames and economic forces keep innovations flowing into the market while obsolete methods flow the other way. The inclusion in the book of spin-offs from traditional instruments or methods offers an interesting glimpse of current financing variants. For example, the interest rate for the floating rate Eurobond may be calculated according to myriad formulas. Among the formulas listed in the book are the step up/step down coupon, the bull/reverse floating rate, a combination of fixed rate-floating rate coupon and drop-lock issues. The more common form is the floating rate note margin (FRN), which has an interest rate fixed at a certain margin relative to a short term index rate, commonly the LIBOR. The FRN itself may have a minimum rate (a floor), or a maximum rate (a cap), or both, in which case it is called a collar FRN. In the case of swaps, the book explains zero coupon swaps, basis/yield curve swaps, reversal swaps, amortising/escalating swaps, forward swaps and putable/callable swaps.

For a book which is in reality a compilation of articles written by different individuals, there is a consistency of style and flow. Most chapters open with a brief definition of the financial instrument to be discussed. There is invariably a helpful summary of the history of the instrument to date. Knowing the development of a particular method of financing helps the reader appreciate the viability of the instrument in a commercial context. For the collector of data, this book is a mini-treasure trove. It is furnished abundantly with charts, tables and diagrams displaying the volume and relative popularity of various instruments over a number of years. Of more educational value are the specimen financial instruments and related documents liberally reproduced throughout the book. Each chapter ends with a forecast of the prospects for the instrument dealt with. This is, however, not a detailed analysis and in some cases, give the impression that they are included more for conformity of format than for utilitarian purposes.

The weaker side of the book is in explanation. It is richly informative. However, because of the details and the depth some topics aspire to, a newcomer to corporate finance can easily lose his way. The writers do explain the mechanism for each transaction. Nonetheless, casual reference to technical terms like "rollover", "bullet type advances", "*pari passu* covenants" and "negative pledges" presupposes some prior knowledge of corporate fund raising. If one looks hard enough, the terms are probably explained, if not in the text where they first appear, then in some other section of the book. This is not very conducive to the elucidation process. There is also a glossary attached which is understandably of limited scope. Gaps in explanations occasionally appear to confound the uninitiated. Perhaps, some basic understanding of the subject should first be obtained from other books which are not pitched, as this one seems to be, at the level of practitioners.

The expressed intention of the book, as stated in the preface, is to provide an authoritative reference which emphasises the needs of the practitioner. In this regard, the meticulous preparation of facts and figures evident throughout the book is a firm step towards this end. The practitioner will no doubt find the evaluations of various transactions in terms of costs and benefits particularly interesting. The editor also expressed a hope to "maintain a scholarly standard of discussion." Whether or not the book is successful in this aim is harder to assess. It is difficult to argue with an essentially quantitative treatment of the subject. There are few issues raised which are debatable. This is not primarily a law book, so legal grey areas and potential legal complexities are not addressed in great detail. There is a separate chapter, admittedly of substantial length (40 pages), devoted to the legal aspects of international financing; just as there are whole chapters dealing with accountancy and taxation aspects. Not surprisingly, one chapter alone is incapable of pursuing the issues raised to any reasonable depth. Having said that, the chapter on legal aspects does identify a number of factors affecting the legality and enforcement of a transaction that a practitioner should take account of.

On the whole, the book represents a commendable effort in documenting the operations of international finance. It is perhaps not an easy read for the beginner. The reward for the comprehending reader is a convenient collection of data on contemporary market practices at his fingertips. For somebody who is fairly conversant with corporate finance and the financial markets, without necessarily being an expert, it will serve its purpose as a handbook very well.

CHAN LENG SUN

CROSS ON EVIDENCE. By COLIN TAPPER. [London: Butterworths. 1990. cx + 736 pp. (including index). Softcover: S$80.45]

IN the preface to the first edition of *Cross on Evidence,* the late Sir Rupert Cross indicated that his objective was to accommodate the needs of students and practitioners. He said:

> ... I have catered for the students by including a good deal more theoretical discussion in the text than is customary in the case of a book designed solely for the practitioner, and I have catered for the latter by including many more cases in the footnotes than any student could conceivably wish to consult.

Subsequent editions including the one under review have preserved this approach. Mr. Tapper states in his own preface that he has "tried to maintain the balance between practical guidance and