



1979. viii + 470 pages.  
 US \$80.50/Dfl. 165.00  
 ISBN 0-444-85224-7

This publication exposes an array of topics in modern finance, giving the reader a flavor of its content, methodology and implications. The contributions are written by eminent scholars, all internationally known authorities in finance.

The work presents recent developments in modern finance pertinent to portfolio management, financial management and capital markets, and will appeal both to research specialists and finance practitioners.

**NORTH-HOLLAND  
 PUBLISHING COMPANY**

P.O.Box 211  
 1000 AE Amsterdam, The Netherlands  
 52 Vanderbilt Avenue  
 New York, NY 10017, U.S.A.

**CONTENTS:**

**Preface**

**I. Foundations of Capital Markets**

1. Efficient capital markets (*P. Hess and M. Reinganum*).
2. Tests of capital market theory and implications of the evidence (*M. Jensen*).
3. New evidence on the capital asset pricing model (*I. Friend, R. Westerfield and M. Granito*).
4. Applications of option pricing analysis (*C. Smith*).
5. The term structure of interest rates: Theories and evidence (*C. Nelson*).
6. Economic foundations of stock market regulation (*I. Friend*).

**II. Optimal Financial Strategies for the Firm**

7. On the theory of the firm in capital asset pricing model world (*G. Hite*).
8. Capital budgeting (*J. Bicksler*).
9. Cash management (*E. Elton and M. Gruber*).
10. Financial decision-making for the firm in an open economy (*M. Adler and B. Dumas*).
11. Uncertain inflation and optimal corporate investment decisions (*A. Chen*).
12. The trade credit decision (*R. Schwartz and D. Whitcomb*).
13. A theory of corporate bankruptcy and optimal capital structure (*A. Chen*).
14. Leasing as a financial instrument (*C. Upton*).

**III. Portfolio Choice**

15. Mean - variance portfolio selection strategies (*G. Philippatos*).
16. The selection of optimal portfolios: Some simple techniques (*E. Elton, M. Gruber and M. Padberg*).
17. Alternatives to mean-variance for portfolio selection (*G. Philippatos*).
18. Evaluation of investment performance (*P. Hess and M. Reinganum*).
19. Statistical decision theory and financial decision-making (*R. Winkler*).
20. The dual role of accounting: A financial economic perspective (*J. Ronen*).