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Annotated Listing

Editor's Note

Our policy is to review all books which are either sent to us or in our opinion are useful to our readers.

WEFS Publication; *Fiscal Monitor : The Commodities Roller Coaster — A Fiscal Framework for Uncertain Times*; October 2015, World Economic and Financial Surveys, IMF, pp. 195, Price US$ 41

Natural resource-rich countries benefited from an exceptional commodity price boom during the 2000s,with metal and oil prices reaching historic highs. This provided a substantial boon to resource-rich developing countries, which benefited from large increases in fiscal revenues and the opportunity to promote economic transformation and development. However, the more recent reversal in commodityprices has driven home the fact that commodity prices are volatile, unpredictable, and subject to long-lasting shocks. In light of this recent development, this issue ofthe Fiscal Monitor examines the conduct of fiscal policy under the uncertainty caused by dependence on natural resource revenues. Although natural resources represent a tremendous sopportunity for economies seeking to promoteeconomic development and the well-being of their populations, in fact this has proven to be surprisinglydifficult. Especially in the case of exhaustible mineraland hydrocarbon wealth, many countries have apparently suffered from what is often termed a "resourcecurse." In some countries, efforts to jump-start growth and development have not borne fruit, fiscal policies were too procyclical, and underlying institutions were not strengthened sufficiently.

Countries face important trade-offs betweenhow much to consume of their nonrenewable resourcewealth and how much to save in the form of financialsavings and other assets (for example, public infrastructure). Financial (stabilization) buffers should also be built especially to help withstand the uncertainty that commodity-exporting countries are particularly prone to. These buffers will allow for countercyclical fiscal policies, as the economic cycle moves together with the commodity cycle (October 2015, World Economic Outlook).

Countries with stabilization buffers are better prepared to manage the sharp fall in commodity prices since 2012. These have led to a substantial growth slowdown in commodity exporters. For countries withsufficient buffers and output at or below potential, prudent fiscal management and smoothing macroeconomic fluctuations go together. For countries that needto adjust and build up buffers, macroeconomic conditions may recommend gradual adjustment to minimiz eadverse effects on economic activity and growth.

The report contains only one chapter and covers aspects like How Commodity Cycles Affect the Economy; Fiscal Policy during Booms and Busts: A Difficult Balancing Act; Long-Term Fiscal Management under Uncertainty; A Risk-Based, Comprehensive Approach to Fiscal Policy and Conclusion. The report provides a good understanding to all student, professors, policy makers and economist of public finance associated with determining the future of any economy.

Seshadri, V. S.; *India and APEC: An Appraisal*; 2016 : ASEAN-INDIA Center, RIS Publication, pp. 136, Price NIL

The Asia-Pacific Economic Cooperation (APEC) forum is a premier regional institution promoting trade, investment and other linkages among economies of the Asia-Pacific region. India is not a member of APEC but has close political, economic and strategic ties with many of its economies. The report tries to understand the desirability of India in joining APEC and its benefits and limitation or challenges that can be posed before India. The report is divided into ten chapters covering the introduction to APEC and its evolution, its present status as it celebrates its silver jubilee on turning 25, its institutional and organizational structure, its successes and shortcomings, its role in the international economics and politics and the mutual benefit India and APEC would drive by their long term association and possible membership of India.

There are several benefits that can flow from India becoming part of the APEC process and integrating more with the dynamic Asia-Pacific region. Driving the 'Make in India' campaign and sustaining it to success to make India an attractive business destination warrants support from every quarter. India needs to get more involved in regional production and supply chain networks. Even as India's trade and economic links with the Asia-Pacific region presently are substantial with APEC economies accounting for 35 per cent of India's merchandise trade,27 per cent of FDI inflows and 40 per cent of FDI outflows, these are still not commensurate with APEC's overall trade or investment profile and India's proximity to this region.

From the comparative study of OAAareas, it becomes evident that incertain areas like services, government procurement and competition, India's progress is quite comparable to those ofAPEC developing economies. In relation to areas such as Trade Facilitation and Customs Procedures, Standards and Conformance and Ease of Doing Business there is clearly a need to step up. APEC could provide synergies to India's efforts on these fronts. On the other hand, for bringing down tariffs more time will be needed. as already indicated. Again, for IPRs, while the enunciation of a new policycould further streamline India's efforts to protect, administer and enforce its IPRs regime, no major changes can possibly be expected that are seen to dilute public health interests orconsumer welfare. Clearly, India joining APEC will have to be explored within these contours.

It must be mentioned that not all developing APECeconomies are part of every APEC activity. Nor does APEC act as a caucus in WTO with unified positions. India should be able to find a suitable groove for itself even as it can exude a keen interest and be supportive of keeping up the momentum of Asia- Pacific regional integration.

The report covers several aspects that India and other countries must consider in the present competitive globalized era of cooperation and development. Ever since the World War II these economic association which form cartel of economic, political and strategic power bases have retained the stability of the world economy by averting any possible stances of war like situations between nations. Yet the world has noticed that political and economic difference continue to create tension among nations. Middle East and African Continent continue to face the wrath of such associations on several humanitarian, economic and political grounds. India is an emerging economic and the second largest market after china and its inclusion in any membership is likely to give immense gains to the business community of the 21 member nations of APEC. India also gains strength by becoming an international players and making most of its units more competitive to meet the international standard and the commitments to WTO. The report provides a good insight into the Association, its working and its benefits and limitation to the membership of India to APEC.

The report is useful for investment bankers, international business men seeking business in south east Asia, exporter, importers, international agencies that focus on trade related matters, Trade economist, bankers that fund trade in the regions and students and professor of international finance and trade.

Kituyi, Mukhisa; *Trade and Development Report 2015, Making the Financial Architecture Work for Development*; New York, USA, pp. 222, Price US$ 55

The economic and social costs have soared as an aftermath of the global financial crisis reflecting the vulnerabilities of the international financial system. Gordon Brown, chief conductor of the G20 choir at the time, placed the blame firmly on inadequately regulated financial institutions that had become less “stewards of people’s money” and more “speculators with people’s futures”; what was needed, he insisted, was new global rules underpinned by shared global values. IMF and World Bank as reconstruction institutions imposing new structural reforms to the emerging economies and less developed world felt the heat of their own sermons with the charring financial systems of the developed world and bailouts that followed thereon. Crisis in the IMF led reformed economies have always questioned the development agenda and process of IMF and demanded reform in the international institutional and financial structures that continue to be idealogically favouring the West or the advanced economies. Derivatives, securitization and many more fancied financial instruments have been questioned for their impact and effect at the micro and macroeconomic and financial level. Unlike the real economy determining the aggregate demand and supply and full employment at the macroeconomic level, level and intensity of disintermediation determines the economic equilibriums which are by structural complexities aimed at internal and external equilibriums for an economy. Persistent reforms are need to make the integrated financial markets resilient to any crisis or onslaught of opaque risk. Accordingly, this year's Trade and Development Report examines a series of interconnected challenges facing the international monetary and financial system, from liquidity provision, through banking regulation, to debt restructuring and long-term public financing. Solutions are available, but dedicated action by the international community will be needed if finance is to become the servant of a more dignified, stable and inclusive world.

In today's financialized world, the main stimuli used are mounting private debts and asset bubbles. Thus countries may be facing a trade-off between prolonged subdued growth on the one hand and financial instability on the other. So far there is no consensus on whether or not there actually is secular stagnation, and if there is, why. Some observers hold that the decline in growth has been due to a combination of supply-side factors: weak investment propensities, a lack of technological dynamism and unfavourable demographic shifts. Others see it more as the inevitable, prolonged, but ultimately reversible downside of a debt super cycle.

World trade remains in the doldrums. Between 2012 and 2014, world merchandise trade grew between 2 and 2.5 per cent (very similar to the rates of global output). These growth rates are significantly below the average annual rate of 7.2 per cent recorded during the 2003–2007 pre-crisis period. In 2014, world merchandise trade, at current prices, remained almost stagnant (growing only by 0.3 per cent) due to the significant fall in the prices of the main commodities. Preliminary estimates for 2015 indicate a mild increase in the volume of merchandise trade, which could grow at a rate close to that of global output.

Recently, and in the wake of heightened financialization, the idea of leveraging public resources for long-term financing has been linked specifically to public-private partnerships (PPPs). The use of PPPs has increased sharply in developing countries over recent decades, and is being strongly promoted in the post-2015 context amid hopes that harnessing the private sector will help multiply millions of dollarsinto billions and even trillions.

There remains a critical need for government support for long-term development finance, at both the international and domestic levels. This need has not been met, even by the emergence of innovative mechanisms for harnessing finance or by ODA. In part this relates to the intrinsic characteristics of some of the activities that need to be financed: infrastructure development will always involve large, long-term and lumpy financing needs; SMES and start-ups will always present more risk than many other borrowers; and markets will never finance positive social externalities that cannot be captured by the profit mechanism. However it also reflects the current state of the global economy, in which, ironically, private investors appear willing to accept very low returns on government bonds rather than assume the risk of investing in private productive enterprises.

The report is highly relevant for researchers professors and industry participant. CEO's in the Trade Zone will benefit.

Nokao, Takehiko; *Asian Development Outlook 2016*, Asian Development Bank, Manila Philipinnes, pp. 317, Price, NIL

Global headwinds notwithstanding, developing Asia will continue to contribute 60% of world growth. Weighing sluggish growth in theUnited States and the euro area, the transition of the People's Republicof China (PRC) to an economy led by consumption and services, and India's ongoing structural reform, Asian Development Outlook 2016forecasts 5.7% growth for developing Asia in 2016 and 2017.

Gross domestic product (GDP) in the region will expand by 5.7% in 2016 and 2017, decelerating from 5.9% in 2015 in a difficult and uncertain global environment. Solid growth in India and a pickup in aggregate growth in the Association of Southeast Asian Nations (ASEAN) will help balance continued growth moderation in the People's Republic of China (PRC). Despite the slight dip, the region will contribute around 60% of global growth in the next 2 years, close to its contribution in the past 5 years.Aggregate growth in the major industrial economies—the United States (US), the euro area, and Japan—will stay at 1.8% in 2016 before inching up to 1.9% in 2017. In the US, expanding private consumption and investment will be tempered by weak external demand. While recovery in the euro area is gradually gaining ground, domestic and external risks abound, keeping growth from breaking out of its slow 2015 pace. Japan's growth will improve slightly, helped by a pickup in private consumption this year in anticipation of a value-added tax increase next year.

In India, reform geared to attract more foreign direct investment, and the authorities worked to repair corporate and bank balance sheets. While macroeconomic fundamentals are strong, progress on major structural reform is expected to be gradual. Growth momentum will be sustained at 7.4% in 2016 before picking up to 7.8% in 2017 with measures to fund stalled projects and an uptick in bank credit.

Most Asian economies benefit from low international food and fuel prices. The large fall in oil and food prices tempered inflation. The regional rate eased from 3.0% in 2014 to 2.2% in 2015 as global oil prices fell by 47% and average food prices by 15%. Regional inflation will revive to 2.5% in 2016 as domestic demand strengthens and rise further to 2.7% in 2017 as global commodity prices recover.

Asian Development Outlook 2016examines in detail how the growth slowdown in Asia since the global financial crisis of 2008–2009 has affected the region's potential growth. Defined as the maximum growthrate associated with the full employment of productive resources,potential growth is determined by changing demographics and laborproductivity.The report observes that growth momentum has flagged in developing Asia since the global financial crisis. From an average of 8.3% during 2006–2010, GDP growth in the region fell to 5.9% in 2015. This decline is likely to have repercussions for the region and the rest of the world. Developing Asia's success in lifting 1 billion individuals out of poverty during 1990–2012 hinged on its ability to sustain high rates of economic growth. Moreover, since the region currently accounts for more than a quarter of world GDP as valued at market exchange rates, a persistent slowdown in developing Asia threatens to undermine the fragile global recovery.

Future gains in living standards and poverty elimination rest on a grasp of potential growth. Identifying the institutional and policy constraints that keep an economy from achieving its frontier potential growth will be critical to counteract the current slowdown. Knowing which factors have driven potential growth in the past can guide policy makers' efforts to meet today's growth challenge.

The determinants of potential growth are shifting demographics and labor productivity growth that are likely to determine potential growth. Potential growth is the sum of growth in the labor force plus growth in potential labor productivity, or output per worker. Of these two factors, labor productivity growth accounted for about 80% of average potential growth from 2000 to 2014 in the 22 Asian economies studied. However, demographic changes have had significant effects in some economies. For example, working-age population growth explains about 50% of potential growth in Malaysia, 64% in Pakistan, and 47% in Singapore. Empirical estimates show that taking 1 percentage point off working-age population growth shaves 1 percentage point from potential growth. With demographic changes turning less favorable in most Asian economies, understanding what determines labor productivity growth is paramount to boosting future potential growth.

The recipe for higher labor productivity has three ingredients. They are a mix of public and private investment, policy and institutional reform, and sound macroeconomic management. Capital investment is crucial to catch up with the advanced economies. High on the list is government investment in infrastructure, an important public good. As the needs are large, governments must find creative financing solutions such as public– private partnership. To facilitate private investment, policy can incentivize companies to purchase new assets by, for example, accelerating depreciation. Reform can move current potential toward the frontier. Effective policy and higher-quality institutions can shore up Asia's long-term growth. If, over the next decade, the 22 sampled economies lifted their current scores on productivityenhancing factors enough to close half of the gap to the best possible scores, their average annual potential growth could increase by almost 0.7 percentage points. Reforms that, for example, rationalize financial and labor markets, render rules that govern access to land more transparent, and improve governance and the business environment can boost potential growth by making firms more dynamic over time. Sound macroeconomic management is the foundation for growth. Implementing policies that lower the volatility of actual growth with respect to potential growth by 25% can add 0.1 percentage points to the region's potential growth.

The new normal today need not be developing Asia's future normal. To ensure a healthy future for potential growth, Asia must employ the full range of policy responses to augment labor supply, improve labor productivity, enhance institutional quality, and maintain macroeconomic stability.

To invigorate potential growth, policy reforms are needed. On top of promoting sound macroeconomic management, reform should offset the impact of less-favorable demographics by increasing female participationin the workforce, extending the working age, and raising labor productivity through capital investment and measures to reduce factor misallocation. Policies such as these can help sustain growth, there by raising living standards and further reducing poverty in Asia.

The report is hopefully relevant for CEO, Trade operatives, International agencies and Master Student of International Finance and Business.

Kapil, Sheeba, and Kanwal N Kapil; ***Mergers and Acquisitions : Valuation, Leveraged Buyouts, and Financing;*** **2016, Wiley India Pvt. Ltd. Delhi, India, pp. 518, Price ₹ 599**

Merger and amalgamation has become a way of life for business world. In chapter second corporate restructure at Accenture and emphasized on Another Andrson It touched leveraged buyout of RNJ Nabisia management and buy out of Harley Davidson and also discussed the portfolio restructuring and divestment. Chapter third discussed the very crucial aspect of merger and amalgamation. Takeover defense tactics discussed The Golden Parachute at Motorola and Bay, Citigroup.

The highly competitive world of finance relies on strong technical and fundamental understanding of the skill set and tools required for decision making. One of the most higly critical decision making pertains to the field of merger and acquisition (M&A). The acquirer and targer are dispersed in the market where financiers, inter- mediary agents, researchers, and Analyst eside and create vibrant, flamboyant word of takeovers, mergers, and acquisitions. There are survivors and there are targets, there are valuations and there are distressed sales, there are financial instruments and there are hybrids. But the success is achieved when the baisc due diligence is correct and acceptable. In M&A, the due diligence lays down the comprehensive framework that guides the execution of the deal. STrategic due diligence leads to ascertaining strategic fit between acquire and target, legal deu diligence lays down the feasibility of taking up M&A in a givne geography while the most important one, i.e., finance cial deu diligence, creates the abll rolling for taking up M & A activity. It gets the correct valuation and proper financing accordingly. The book Mergers and Acquisitions: Valuation, Leveraged Buyouts, and Financing addresses the various due diligence concepts in M & A by using realistic examples, rea-life case studies, user-friendly models of valuation, leveraged buyout (LBO) models, and models for deal performance analysis. The boo fills the gap in contemporary finance wherein its focuses on theory along with practical usage and application in M & A.

Chapter Five deals with meager and amalgamation trends and imperial studies describe global trends in merger and amalgamation shown by graphical presentation analyzing it from Asia pacific, Latin America, Middle East and Africa prospective.

Indian and China have registered significant growth across domestic and cross boarder merger and amalgamation activities in the past. Professor Sheeba Kapil and Professor Kanwal N. Kapil books all about the highly competitive word of finance which realize on strong technical and fundamental understanding of mergers and acquisition (valuation, leverage, buyouts, financing) merger and amalgamation has become a very crucial for research scholar, finance graduate in present changing economic scenario after globalization.

It is necessary to understand technical and fundamental aspect of merger and amalgamation. This book has covered historical aspects of merger and amalgamation. The book comprises of ten chapters ; categories one of the unique feature of this book that along with merger and amalgamation it's explain due diligence process categorize into strategic due diligence, legal due diligence and financial due diligence. In one book the reader finds everything for a successful merger and amalgamation process.

Another unique feature of the book it emphasized of key term, quiz, project assignment and highlighted case study at the end of every unit relevant to that aspects. Chapter six legal and regulatory framework of merger and amalgamation covering companies acts 1916, income tax 1961 and competition act 2000 and consultative on a very interesting deal on Vodaphone, Hutch.

Unit III discusses valuation and merger and amalgamation explain the concept with the help of various approaches and modal for easy understanding. Chapter Twelve discusses the new concept of brand valuation in Rank, Hobbies and Mc dougall (RHN) drives away hostile takeover attempt and also discusses the royality relief method, discount case flow method and inter brand method of brand valuation taking coca cola as an example. The author also concentrative on LBO and financing aspects of merger and amalgamation like financing option and leverage buyout, PE, investment banks and Hatch funds.

The subprime mortgage crisis of 2008 left the global environment in a credit crunch that lead to much evolution in the overall financial skill set, especially tools of valuation and risk measurement. Over the last decade, the basic valuation models, especially LBO models, and start-up valuations ahve undergone paradigm shift with respect to the underlying premises and the input data required for building valuation models. M&A advisory on buy side and sell side has been added to give readers and overview of the M&A process. It provides an understanding of deal performance analysis and interpretation of valuation figures required for deal negotiations. The book explains the different tools and models of valuation, start-up valueation, and LBO valuation. These valuation models provide the facts and figures that the acquirer company needs to take to the negotiation table. This book not only explains the standalone valuations but also creates a step-by-step model integrating standalone valuations to merger economics of integration. This book covers all aspects of M&A advisory, both by-side advisory and sell-sie advisory, as is required in the real world.

The book is suitable for graduate , post graduate and research scholar The chapter has been laid in a very systematic way for easy understanding of the concept along with diagrammatic representation and case study.