

chapters on the philosophy of problem-solving are stimulating, if a little too clear-cut for me.

The work will introduce these important approaches and techniques to a wide public, though not in the guise that I consider most desirable.

M. W. B. TOWNSEND

### **Capital Investment Decisions.**

L. E. ROCKLEY.

*Business Books, London, 1968. 260 pp. 90s.*

Mr. Rockley provides well-documented case studies of the mechanism of capital investment authorization of some 20 firms, and half of the book is given over to appendices detailing the administration procedures and forms used. The methods of authorizing capital expenditure are particularly useful for interfirm comparisons of standard accountancy practice.

The tabular comparisons of the various methods of calculating return on investment are laborious to read and far too little is said about the physical importance of the method of choice. I was also sorry that there was no reference to the effects which the accounting procedure may have in ensuring that a project is developed and improved before implementation.

There are repeated references to "total return-satisfaction, etc.", which imply assumptions of additivity; no account is taken of the important fact that it may not be possible to combine the factors affecting a decision into one criterion of preference. There is no reference to decision trees, sequential decision-making, probability distribution of risk and portfolio investment. Are we therefore to assume that these widely discussed techniques are not practised routinely?

The appendices show that much development of detailed organizational procedure will be necessary before new techniques become accepted as part of the routine approach to capital investment decisions. Thus the case studies make a useful contribution to the practice of financial decision-making. Although of assistance to the operational research practitioner, this is primarily a book for the administrative accountant and manager.

JOHN D. CROSTON

### **Operations Research for Management Decisions.**

SAMUEL B. RICHMOND.

*Ronald Press, New York, 1968, 615 pp. \$12.*

This new introductory textbook is one of many attempts to capture a growing market in universities, colleges and business schools. Such a book should be judged by its breadth and depth as well as by its organization and the quality of presentation. Several sections of the book can be commended on all points,