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# Book Review

## FORBES GUIDE TO THE MARKETS: BECOMING A SAVVY INVESTOR

**Marc M. Groz**

John Wiley and Sons, 1999; ISBN 0 471 24658 1; 245pp; paperback; \$25

Introductory textbooks in finance have always been the focus of a considerable amount of literature. This book, which was originally published in 1999, is a welcome part of this literature. *Forbes* have always established a reputation for being a top business journal, and many other quality journals similar to the *Wall Street Journal* have also attempted to write an introductory textbook on investing. However, many of these publications have never struck a balance between content, presentation and the investor's level of understanding. The financial world can be a complex maze of jargons, concepts and ideas. Therefore, there will always be demand for a clear, concise and easy to understand text, which addresses the many issues that many beginners in finance would like to grasp. This textbook provides an excellent basic knowledge for anyone interested in investing.

There is a good grounding provided for many key topics like equities, bonds and mutual funds, making the book one of the most suitable for both beginners and more advanced investors. The introduction covers the main definitions needed and also provides additional sources of information on financial markets, making it one of the highlights of the book. For instance, Chapter 7 provides examples of websites, newspapers and organisations which can provide more information on financial

markets, with the emphasis on easy to understand literature. Another highlight of the book is the section on technical, quantitative and fundamental analysis. Marc Groz begins with the basic types of analysis, but quickly moves into the charting strategies used in the industry. Much of the language in technical analysis is anthropomorphic, but the highlighting of key terms and a complete glossary make this authoritative resource an essential tool for anyone aspiring to become a savvy investor.

The textbook does cover ground a little too fast, and there could be more examples provided. Many publications like the 'Guide to Understanding and Investing Money' by the *Wall Street Journal* are very colourful and provide many examples. I would like to see this incorporated into more introductory textbooks. Reading about finance should be fun, easy and interesting, especially for beginners. In this case, one could start to become bored by the time they reach the chapter on mutual funds. However, this is Chapter 11 of 21 so at least you can congratulate yourself for getting half way!

Once you have passed this point the textbook becomes more interesting again. The chapters that follow describe the concepts of diversification, past and future trends and calculating returns. They also explain clearly the importance of these and my only criticism of these

chapters is the variety of examples. It would be a welcome part of the text if there were example spreadsheets and calculations, which could be incorporated into one's learning.

I would like to have seen much more comprehensive 'reference' sections at the end of each chapter, as this can be an important part of learning. A suggestion for a future edition might be to have online learning and questions, which build on the knowledge you initially learn in the textbook. These could be referred to at the end of each chapter. I feel that reading a book should only be part of the learning process. Websites, journals, seminars and presentations can be a very useful part of expanding the knowledge base. With the technology available today this could be a new and innovative method of improving the

education process and keeping the investor updated on new developments in a fast moving industry.

But these are very minor concerns; this is a very readable book that covers all the elements necessary to become financially 'street smart', from products, players and procedures to rules, regulators and risk/reward trade-offs. In addition, it is filled with solid investment principles. Definitely a worthwhile purchase, which leaves the reader well informed and prepares you for an even deeper understanding of the markets. A great book for those seeking to understand markets and the terminology used on a daily basis.

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