tries which means that the measurement errors caused by using accounting profits instead of economic profits may be correlated with the explanatory variables used in the model to explain firm or industry-specific effects such as advertising or economies of scale. Such a correlation would bias estimates of relations between profits and entry barriers and estimates of entry response. GGJ discuss several additional sources of bias in the studies of entry behavior that they review and these problems suggest that current estimates and policies based on those estimates should be treated with some caution, as the authors mention.

Overall, Geroski, Gilbert and Jacquemin provide an interesting survey of the entry literature. Economists and business researchers interested in a review of the basic theory and empirical estimates of entry behavior will find that *Barriers to Entry and Strategic Competition* provides a very useful, readable survey and a good entry point into the literature. Professors will also find this a helpful reading source for courses. Many economists will be interested in the books published in this series for surveys of the literature.

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D. R. Stokes, *Small Business Management: An Active-Learning Approach*, London, UK: DP Publications, Ltd., 1992, ISBN:

The issues involved in starting a new business are many and their interrelations complex. There is, of course, no one best way to introduce this challenge to students. The usual procedure is to provide lectures and written material that are accompanied by exercises and assignments. The exercises and assignments provide students with the opportunity to develop and practice their knowledge of the subject matter. In courses with more complex content, where it is necessary to integrate a diversity of issues or materials into a single, coherent package, these materials may be supplemented by a more comprehensive project. One of the most frequently taught courses in business schools is the 'doing entrepreneurship' course where students develop a written business plan.

As experienced teachers know, there is no 'perfect way' to introduce complex, multifaceted materials to students. The basic substance for most courses, however, is usually presented in the form of a written overview, with exercises spread throughout. The 'big assignment' — such as a

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business plan — may be provided as a separate item, often in parallel with other material.

There are two distinctive features of Stokes's new book on small business management which emphasizes the founding and nurturing of new firms. He presents the exercises first in a section entitled 'activities and scenarios.' This section covers 105 pages. The second section, different in design, is a three-part business plan exercise; the 'ongoing assignments' cover 54 pages. The last section provides an overview of what is known about new and small businesses. This overview section is the 'information bank' and consumes about 249 pages. Much of the material needed for the 'activities and scenarios' in the first section is provided in the 'information bank.' It is his hope that, by emphasizing important issues, the students will find the review of the materials on new and small businesses more interesting.

Stokes claims to have had considerable success with this system of instruction, and he makes a great effort to show how the various parts of the book are interrelated. While this form of presentation may have been successful with Stokes in the classroom to guide the student through the material, it does have one striking disadvantage. The book does not — as many textbooks do — provide a cogent summary of an important topic. Indeed, the document has much the flavor of a student workbook.

The 'information bank,' which is the substantive part of the text, is well written and easy to follow. It appears to provide a reasonably accurate overview of current research on new and small firms although it is somewhat dated in places. Indeed, most of the references reflect the perspectives of the last decade. The review, however, is oriented toward students and would, on its own, be of little interest to researchers in the area. The entire work tends to slight financial issues associated with small firm management and emphasizes marketing and strategic considerations instead.

The second distinctive feature of the book, in addition to its unusual organizational format, is the emphasis on the United Kingdom. When another country is mentioned, it is typically the United States. Almost all of the real-life examples and discussions (there are many, and they are interesting) are specific to the United Kingdom. Further, in an attempt to avoid being seen as overly academic, a great deal of colloquial language is used, some of which may be confusing to those not part of the British scene.

For teachers interested in a new way to present material to students of small business management or new venture creation, this new text may be of interest. However, the language and examples reflect the United Kingdom and would not provide an image of the real world familiar to most North American students or even continental Europeans. Given the wide range of quality textbooks available for the United States, it seems unlikely that this work will generate substantial interest outside the United Kingdom.

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