BOOK REVIEW

Dynamic Consumer Theory: A Premier Treatise with Stochastic Dynamic Slutsky Equations
Authors: David W.K. Yeung (Shue Yan University, Hong Kong and St. Petersburg State University, Russia)

As a researcher I found this book as a pioneering and fundamental work of dynamic consumer theory. There is no other work which goes as deeply into this field than this book. It is not only an excellent reference of the field, but Dr Yeung, as the leading researcher of this field, introduced many new developments and results, some of which were not published before. I think the stochastic, dynamic ex tensions of the classical Slutski equation are the most significant contributions to consumer theory. They open up a brand new way of economic thinking and modeling. The way these results were achieved can be further developed and applied to other similar areas suggesting a large field of future research to interested readers. I am also sure that the importance of this pioneering work will inspire many colleagues to select this area as their main research focus, so I am expecting many followers of the footsteps of Dr. Yeung.

This book is an outstanding reference of the deterministic, stochastic, static and dynamic model structures and their solution methodology. It also can serve as a textbook for at least four different graduate courses: dynamic programming, dynamic economic models, microeconomics and consumer theory. The logical, and well-structured development of the material, the precise mathematical derivations, the well explained economic content, make this book easily accessible to students and help them to understand even the most complex and advanced ideas. At the end of each chapter the notes give direction for further readings and the well selected problems help the students for deeper understanding of the material.

In summary the book is highly recommended to all students and educators in mathematics and economics and also to researchers who are interested in dynamic modeling, optimal control, microeconomics, and consumption theory. The mathematical methodology can be also applied in many fields of engineering, such as systems and control engineering, so engineers on these or on related areas can also benefit from this book.

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