Journal of Financial and Quantitative Analysis

DECEMBER 1968

Alternative Procedures for Revising Investment Portfolios
Keith V. Smith

Homogeneous Risk Measures and the Construction of Composite Assets
William Breen

Risk and the Addition of Debt to the Capital Structure
Harold Bierman

A Note on the Application of Linear Programming to Capital Budgeting
Peter Lusztig and Bernhard Schwab

A Note on the Payback Method
Haim Levy

Adjusting for Risk in the Capital Budget of a Growth-Oriented Company
Donald E. Vaughn and Hite Bennett

A Mathematical Model for Re-Acquisition of Small Shareholdings
Wayne S. Marshall and Alan E. Young

Bias in the Measurement of Technical Change
Romesh K. Diwan

Valuation Under Uncertainty: Comment
Alexander A. Robichek and Stewart C. Myers

Papers and Proceedings of the Fourth Annual Meeting of the Western Finance Association

WESTERN FINANCE ASSOCIATION
and the
Graduate School of Business Administration
UNIVERSITY OF WASHINGTON
IMPORTANT:

Renewal Notice for Western Finance Association

Membership renewal fees for most members of Western Finance Association now due. These dues, which include Journal subscriptions for one year, are:

- Institutional ............ $50.00
- Active .................... $6.00
- Student rate ............. $4.50

Application form for use by all new and renewing members is found in the back of this Journal.
The Journal of Financial and Quantitative Analysis is published quarterly in March, June, September, and December, under the sponsorship of the Western Finance Association and the Graduate School of Business Administration at the University of Washington, Seattle, Washington.

Graduate School of Business Administration

Kermit O. Hanson, Dean
Charles N. Henning, Director of Publications
Lillian Ashworth, Editorial Assistant
Ruth Hase, Subscription Manager
Volume III, Number 4

Alternative Procedures for Revising Investment Portfolios
Keith V. Smith 371

Homogeneous Risk Measures and the Construction of Composite Assets
William Breen 405

Risk and the Addition of Debt to the Capital Structure
Harold Bierman, Jr. 415

A Note on the Application of Linear Programming to Capital Budgeting
Peter Lusztig and Bernhard Schwab 427

A Note on the Payback Method
Haim Levy 433

Adjusting for Risk in the Capital Budget of a Growth-Oriented Company
Donald E. Vaughn and Hite Bennett 445

A Mathematical Model for Re-Acquisition of Small Shareholdings
Wayne S. Marshall and Alan E. Young 463

Bias in the Measurement of Technical Change
Romesh K. Diwan 471

Valuation Under Uncertainty: Comment
Alexander A. Robichek and Stewart C. Myers 479

Papers and Proceedings of the Fourth Annual Meeting of the Western Finance Association 485

Publications Reviewed:
Morris, William T., Decentralization in Management Systems--An Introduction to Design. Reviewed by John C. Emery 497

Index 503
WESTERN FINANCE ASSOCIATION

Executive Committee

Robert A. Carr, PRESIDENT
Burton Kolb, VICE PRESIDENT
Virginia McKemie-Belt, SECRETARY-TREASURER
Stephen H. Archer
Albert Dehner
Walter Hoadley
Edward W. Reed
Edwin C. Robbins

California State College, Fresno
University of Colorado
California State College at Long Beach
University of Washington
Portland State College
Bank of America
University of Oregon
University of Southern California

Publications Committee

J. Fred Weston
Stephen H. Archer
Don C. Bridenstine
Jewell J. Rasmussen

University of California, Los Angeles
University of Washington
San Diego State College
University of Utah