

First, discover the real you

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Chennai: If you are not one of those noisy rich whose conspicuous wealth routinely screams shrilly and nauseam, you will find Brett Wilder ideal company. His new book, **'The Quiet Millionaire'** from FMG Publishing Inc., is a guide for accumulating and keeping your wealth, and more importantly, for ensuring that you do not outlive your financial resources.

The first step Wilder would handhold you to is the discovery of the real person within. "Mistakenly, people often are too busy with the daily activities *in* their lives to devote the necessary time and energy to working *on* their lives," he rues. Step back and take time to contemplate and figure out what the 'gut meaning' of life is for you, advises Wilder.

That way, you'd find 'what your burning desires are, what your greatest fears are, and in what ways you want to be enriched and satisfied.' Not a one-time operation, however; these questions need to be addressed repeatedly throughout your life, the author clarifies.

"Be aware that there are blockages that can sidetrack your thought process. Procrastination is a major roadblock, as is finding private uninterrupted time."

For a quiet read, this weekend.

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Measuring IPO success

How to measure the success of an IPO (initial public offering)? "Usually we consider the quantum of oversubscription as the measure of success, however some feel that it is the issue price which should ideally be considered as the determinant of IPO success," writes Rakesh Shahani in **'Financial Markets in India'**, second edition (Anamika Publishers, New Delhi).

"If the price is too high, the issue is likely to be undersubscribed while if the price is too low then there is bound to be heavy oversubscription," the author reasons.

In oversubscription speculators muscle out genuine investors from getting the allotment of shares, and thus make quick buck upon listing, explains Shahani. "Thus in a way money lost on account of underpricing goes into the pocket of these speculators."

The book cites a study carried out on a sample of IPOs floated on the Nasdaq between 1991-1995. A key finding was that the promoters who wished to limit their underpricing of IPOs spent more on promotional activities like hiring quality financial advisors, aggressive advertisement which raised the demand from uninformed investors and allowed the company to get a better price for the shares.

Detailed discourse that should interest the financially avid.

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Curveball strategy

Straight roads are great for high-speed driving, which is how one also wishes life to be. Alas, the reality is different, both on roads, and in our lives. There are bumps and curves, but should curveballs and potholes, breakdowns and punctures catapult you into financial crises? Not necessarily, if you are sufficiently prepared and equipped with an emergency fund, says Dara Duguay in **'The Citi Commonsense Money Guide for Real People'** (www.rodalestore.com).

"Emergency savings are, in effect, a form of insurance," she explains. "You get to decide how big the premiums should be, and you get to decide when to file a claim." While savings toward a purchase like a car or vacation are easy to estimate, it's trickier to put the numbers together for an emergency fund, the author cautions.

Decide as a household the definition of 'emergency', advises Duguay. "It has been generally recommended that up until you are in your mid- to late-40s, your emergency savings account should have enough to cover 3 months of your living expenses. Three to 6 months of expense money is advised from your 40s to your 60s, and, after that, a full year's worth."

If you currently have no emergency savings set aside, you may have to start working at it, even if 'it might take you several months, even years, to build up to this amount.' You also need to determine where you are going to keep this money and your ground rules for accessing it, instructs Duguay.

Practical guidance.

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