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**Jeremy Josse, *Dinosaur Derivatives and Other Trades*.
Wiley, 2015, 224 pp. \$21 Paperback.**

By Marc TOMLJANOVICH [†]

Book Review

This book is a rare beast, merging the seemingly disparate topics of finance and philosophy. The typical finance book either painstakingly covers a particular period in history (see the by now 1,000 books or more on the 2008 financial crisis), or details concrete concepts such as hedge funds and bond pricing. Here though, the author attacks the seminal issues in finance using a wider lens, bringing to the reader a blend of perspectives through which to build the author's insights and arguments. Josse's strong academic background is evident throughout, as he weaves in prior research on topics such as financial instrument and money, including his own peer-reviewed journal articles. At the same time, Josse brings in his personal experiences from his years in the financial services industry. This combination of the theoretical, the philosophical and the pragmatic adds distinctive value to the reader and helps differentiate this body of work from other finance studies.

The real strength of this book is the discussion of broad topics that are typically assumed or ignored in the media or classroom. Each chapter begins 'What Is...', an indication of the level of discourse which the reader can expect - there are no formulas or Black-Scholes options pricing models within these pages. The book covers the core issues that encompass markets and their participants, including the theoretical concepts of uncertainty and innovation, the financial concepts of money and other financial instruments, the legal concepts of contracts and ownership, and the overarching questions involving fraud, bankruptcy and regulation.

In addition to his personal insights, religious parables, literary examples, and analysis of historical events, Josse also constructs tales designed to illustrate the concept at hand. For example, the title of the book is based on the short tale at the beginning of "What Is Value" in which a friend supposedly is invited to an auction house in which call options for a Megalodon (a giant shark that purported died out about 3 million years ago) could be purchased.

There are a few small areas where the book falls a bit short for me. First, the title refers to three pages in chapter 1, and ancient swimming creatures are never mentioned again, whereas derivatives are only tangentially referred to within the "What Is Bankruptcy" chapter. I was hoping for more of each. Second, while I do understand the points that the engineered stories are conveying, I can't help but think there are real-life analogues that would serve to relay the same concepts in a way that would appear less contrived. However, other illustrative examples, including the story of Joseph from the Book of Genesis (in 'What Is Uncertainty')

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and the 19th century British cargo ship Moorcock (in 'What Is a Contract') effectively and entertainingly lay out Josse's arguments to his readers. And the final chapter on bankruptcy succinctly weaves many of the prior concepts introduced the book in a way that allows his final analysis of markets to be rational and compelling.

Overall, this is a worthwhile foray into the behavioral and philosophical sides of market interactions. I anticipate *Dinosaur Derivatives* to be a useful springboard for discussions within introductory finance or business ethics courses, or really for any market enthusiasts, young or old, interested in gaining a better understanding of the deeper issues that form the underpinnings of finance.



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