

Home > [Review of Quantitative Finance and Accounting](#) > Article

A Fundamental Approach to Estimating Economies of Scale and Scope of Financial Products: The Case of Mutual Funds

| Published: May 2001

| Volume 16, pages 205–222, (2001) [Cite this article](#)

Download PDF 

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 92 [partners](#), also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our [privacy policy](#) for more information on the use of your personal data. Your consent choices apply to [springer.com](#) and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

- > **Store and/or access information on a device**
- > **Personalised advertising and content, advertising and content measurement, audience research and services development**

Accept all cookies

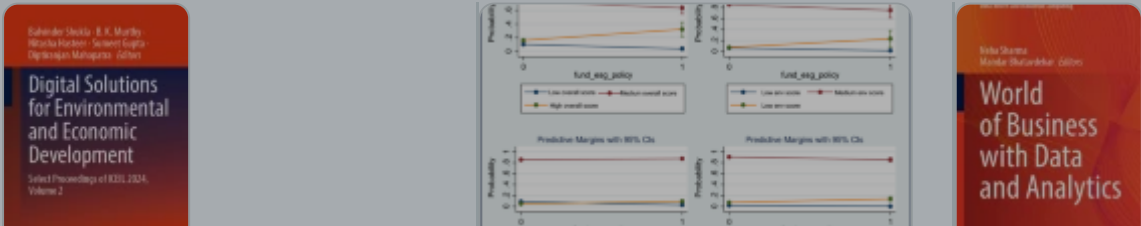
Reject optional cookies

Manage preferences

institutions offering fewer, such as 2 and 1 similar product lines. When this approach is applied to mutual funds data, we find economies of scale for some fund type. The evidence on marginal cost economies due to increasing scope is rather weak. The results have practical implications for potential organizers and current management of investment companies.

[Download](#) to read the full article text

Similar content being viewed by others



Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 92 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

Accept all cookies

Reject optional cookies

Manage preferences

Baumol, W. J., J. C. Panzar and R. D. Wilig, *Contestable Markets and the Theory of Industry Structure*, San Diego, CA: Harcourt Brace Jovanovich, 1982.

[Google Scholar](#)

Baumol, W. J., S. M. Goldfeld, L. A. Gordon and M. F. Koehn, *The Economics of Mutual Fund Markets: Competition versus Regulation*, Boston: Kluwer Academic Publishing, 1990.

[Google Scholar](#)

Berger, A. N., D. Hancock and D. B. Humphrey, "Bank Efficiency Derived from the Profit Function." *Journal of Banking and Finance* 17, 317-347, (1993).

[Google Scholar](#)

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 92 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)

Dermine, J. and L. Roller, "Economies of Scale and Scope in French Mutual Funds." *Journal of Financial Intermediation* 283-293, (1992).

Evans, D. S. and J. J. Heckman, "A Test for Subadditivity of the Cost Function with an Application to the Bell System." *American Economic Review* 74, 615-623, (1984).

[Google Scholar](#)

Ferrier, G. D., S. Grosskopf, K. J. Hayes and S. Yaisawarng, "Economies of Diversification in the Banking Industry." *Journal of Monetary Economics* 3, 229-249, (1993).

[Google Scholar](#)

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 92 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)

McAllister, P. H. and D. A. McManus, "Resolving the Scale Efficiency Puzzle in Banking." *Journal of Banking and Finance* 17, 389-405, (1993).

[Google Scholar](#)

Mester, L. J., "Efficiency in the Savings and Loan Industry." *Journal of Banking and Finance* 17, 267-286, (1993).

[Google Scholar](#)

Murthi, B. P. S., Y. Choi and P. Desai, "Efficiency of Mutual Funds and Portfolio Measurement: A Non-parametric Approach." *European Journal of Operations Research* 98, 404-418, (1997).

[Google Scholar](#)

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 92 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)

**Department of Finance, College of Business, Florida State University,
Tallahassee, Florida, 32306**

James S. Ang

**Department of Finance, College of Business, Montana State University,
Bozeman, Montana, 59717**

James Wuh Lin

Rights and permissions

[Reprints and permissions](#)

About this article

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 92 **[partners](#)**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **[privacy policy](#)** for more information on the use of your personal data. Your consent choices apply to [springer.com](#) and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)

Navigation

Find a journal

Publish with us

Track your research

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 92 [partners](#), also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our [privacy policy](#) for more information on the use of your personal data. Your consent choices apply to [springer.com](#) and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)