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EDUCATION

1986, *PhD Search and Information Economics*, Princeton University, United States
1986, *MA Economics*, Cambridge University, United Kingdom
1982, *BA Economics*, Cambridge University, United Kingdom
1983, *Prize scholar*, Churchill College, Cambridge University

PROFESSIONAL EXPERIENCE

Present – *Senior Consultant*, Compass Lexecon, London
1999 – Present, *Professor of Finance*, London Business School,
2008 – 2013, David Pyott Term Chair
2005 - 2008, Chair of Finance Subject Area, and Director, Institute of Finance and Accounting, London Business School
1999 - 2003, *Managing Editor*, Review of Economic Studies
1999 - 2001, *Research Dean*, London Business School
1995 - 1998, *Professor of Economics*, European University Institute,
1996 - 1997, *Head of Economics Department*, European University Institute
1994 - 1995, *Associate Professor of Finance*, London Business School
1989 - 1994, *Assistant Professor of Finance*, London Business School
1986 - 1988, *Assistant Professor of Economics*, University of Pennsylvania

PUBLICATIONS

"Failing to forecast rare events" with Philip Bond, *Journal of Financial Economics* Vol 42, Issue 3, December 2021, pp 1001-10161

"Why is capital slow moving? Liquidity hysteresis and the dynamics of limited arbitrage" with Jungsuk Han and Francesco Sangiorgi, *Review of Financial Studies* Vol 34, Issue 6, June 2021, pp 2857–2909.

"The Paradox of Financial Fire Sales and the Role of Arbitrage Capital" with Jungsuk Han, *Journal of Finance*, vol 73, no.1, February 2018 (Brattle Group Prize, Distinguished Paper Award 2018).

"Interest" in John A Trenor (ed.) *The Guide to Damages in International Arbitration* (second edition), Global Arbitration Review, 2017. Revised editions 2019, 2022.

"Incentives for Information Production in Markets where Prices Affect Real Investment," with Itay Goldstein and Alexander Guembel, *Journal of the European Economic Association*, vol 15 no 4, pp 877-909, August 2017.

"Contractual incompleteness, limited liability and bubbles," with Jungsuk Han, *Journal of Financial Economics*, Volume 116, Issue 2, May 2015, Pages 383–409.

"Boards, CEO entrenchment, and the cost of capital," *Journal of Financial Economics*, vol. 110, 680–695, 2013.

"Noise Trade," with Gary Gorton, entry in *The New Palgrave Dictionary of Economics*, edited by Steven N. Durlauf and Lawrence E. Blume, Palgrave Macmillan, 2008.

"CEO Compensation, Change, and Corporate Strategy," with Clara Raposo, *Journal of Finance*, Vol. 560, no. 6, pp 2701-2727, December 2005.

"Equilibrium Investment and Asset Prices under Imperfect Corporate Control," previously entitled "Corporate Finance and Asset Pricing," with Gary Gorton and Arvind Krishnamurthy (Best paper award in corporate finance at the WFA 2003) *American Economic Review* vol.93, no.3, pp 659-681, June 2005.

"Is Liquidity self-fulfilling?", previously entitled "Self-sustaining Liquidity in an Asset Market with Asymmetric Information," *Journal of Business*, vol. 77, number 4, pp 895- 908, October 2004.

"Informed Trading, Investment, and Economic Welfare", with Rohit Rahi, *Journal of Business*, vol. 76, no. 3, pp 430-454, 2003.

"What is Systemic Risk? Moral hazard, initial shocks and propagation," *Monetary and Economic Studies*, Vol.18, No.2, December 2000, 1-24.

"Should Speculators be Taxed?", with Rohit Rahi, *Journal of Business*, January 2000, vol. 73, no. 1, pp 89-107.

"Arbitrage, Hedging, and Financial Innovation", *Review of Financial Studies* vol 11 no 4, 1998, pp 739-755. Comments on "Banks, Markets and the Allocation of Risk in an Economy" by Martin Hellwig, *Journal of Institutional and Theoretical Economics (Zeitschrift für die gesamte Staatswissenschaft)*, Vol. 154, No.1, March 1998, 346-351.

"Noise Trading, Delegated Portfolio Management, and Economic Welfare", with Gary Gorton, *Journal of Political Economy*, Vol. 105, No. 5, October 1997, pp 1024-1050.

"Stock Market Efficiency and Economic Efficiency: Is There a Connection?", with Gary Gorton, *Journal of Finance*, Vol.52, No.3, July 1997, pp 1087-1129.

"Profitable Informed Trading in a Simple General Equilibrium Model of Asset Pricing", with Gary Gorton, *Journal of Economic Theory*, Vol. 67, No.2, November 1995.

"Lending Resumption in a Reputational Model of Sovereign Debt", with Harold L Cole and William B English, *International Economic Review*, Vol.36, No.2, May 1995, pp 365-385.

"Nash Equilibrium under Knightian Uncertainty: Breaking Down Backward Induction", with Sérgio Ribeiro da Costa Werlang, *Journal of Economic Theory*, Vol. 64, No.2, December 1994, pp 304-324.

"Arbitrage Chains," with Gary Gorton, *Journal of Finance*, Vol.49, No. 3, July 1994, pp 819-849. Reprinted in Bruno Biais and Marco Pagano (Eds.), *New Research in Financial Markets*, Oxford University Press and CEPR, 2001.

"The Return on the Market and the Social Discount Rate: A Note on Welfare in an Overlapping Generations Model", with Gary Gorton, March 1993, *Economics Letters*, Vol. 43, No.1, November 1993, pp 23-26

"Trading, Communication and the Response of Asset Prices to News", with Gary Gorton, *Economic Journal*, Vol.103, No.418, May 1993, pp 639-646.

"Uncertainty Aversion, Risk Aversion and the Optimal Choice of Portfolio", with Sérgio Ribeiro da Costa Werlang, *Econometrica*, Vol. 60, No.1, January 1992, pp 197-204.

Reprinted in Itzhak Gilboa (Ed.) *Uncertainty in Economic Theory: Essays in Honor of David Schmeidler's 65th Birthday*, Routledge Frontiers of Political Economy, 63, 2004.

"Excess Volatility of Stock Prices and Knightian Uncertainty", with Sérgio Ribeiro da Costa Werlang, *European Economic Review*, Vol.36, 1992, pp 631-638.

"The Ex-ante Non-optimality of the Dempster-Shafer Updating Rule for Ambiguous Beliefs", with Sérgio Ribeiro da Costa Werlang, in Yoram Moses (ed) *Proceedings of the Fourth Conference on Theoretical Aspects of Reasoning about Knowledge*, San Mateo, CA: Morgan Kaufman Publishers, 1992, pp 163-166.

"Homothetic Preferences", with Sérgio Ribeiro da Costa Werlang, Journal of Mathematical Economics, Vol. 21, 1992, pp 389-394.

"Search Decisions with Limited Memory", Review of Economic Studies, Vol 58, No 1, January 1991, pp 1-14.

"The Consistency of Welfare Judgements with a Representative Consumer", with Sérgio Ribeiro da Costa Werlang, Journal of Economic Theory, Vol.44, No.2, April 1988, pp 269-280.

"Samuelson and Chipman-Moore on Utility-Generated Community Demand", with Hugo Sonnenschein, in Maurice H Peston and Richard E Quandt (eds): Prices, Competition and Equilibrium: Essays in Honour of William J Baumol, Oxford: Philip Allan, 1986.

UNPUBLISHED PAPERS

"Financing Securities Trading", with Nathalie Rossiensky, November 1999.

"Laws of Large Numbers for Non-additive Probabilities", with Sérgio Ribeiro da Costa Werlang, 1994.

"Knightian-Rational Expectations, Inflationary Inertia and Money Neutrality", with Mario Henrique Simonsen and Sérgio Ribeiro da Costa Werlang, 1993.

"No Trade Theorems and Non-Bayesian Behavior", with Vicente Madrigal and Sérgio Ribeiro da Costa Werlang, London Business School, 1990. Last revised: October 2022

"Almost Competitive Price Dispersion", CARESS - University of Pennsylvania, 1987.

"A Note on Almost Competitive Price Dispersion", 1987.

"Arbitrator and Negotiator Behavior under an Appellate System", with Orley A Ashenfelter and Daniel G Gallagher, 1986

TEACHING EXPERIENCE

At London Business School

- Corporate Finance, Masters in Financial Analysis, 2016.
- Corporate Finance, Sloan Fellows Programme, 2002-2017
- Corporate Finance and Valuation, Master in Finance Programme, 2010-2022
- Corporate Finance, full-time MBA and Executive MBA, 1990-1994, 1999-2002, 2004-5
- Advanced Corporate Finance, 1994-1996
- PhD course in Financial Economics, 1990-1994, 1999-2001, 2021-22
- Financial Seminar for Senior Managers (Executive Education) 1992-1994
- Supervised six PhD students, including Norvald Instefjord (placed at Birkbeck College), Nathalie Rossiensky (placed at Duke University), Clara Raposo (placed at Said School, Oxford and currently President of ISEG Lisbon)), Jungsuk Han (placed at Stockholm School of Economics).
- Prize for best teacher in programme, Executive MBA class of January 2003
- Runner up for prize for best teacher in programme, Sloan Fellows programme, 2007.
- Prize for best teacher in programme, Sloan Fellows programme 2008

At the European University Institute

- PhD course in Corporate Finance, 1998
- PhD course in Financial Markets, 1996-1997
- PhD course in Game Theory, 1995-1996
- Supervised six PhD students, including Alexander Guembel (placed at Said School, Oxford, currently Professor at Toulouse), Issam Hallak (placed at Bocconi)
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At the University of Pennsylvania

- Undergraduate Microeconomics, 1986-1987
- PhD Microeconomic Theory, 1986-1988



LANGUAGE SKILLS

- English – Native
- French – Fluent
- Italian – Good

