

March, 2019

Vita

Richard E. Kihlstrom

Current Home Address:

890 Saratoga Road
Berwyn, Pennsylvania 19312

Telephone:

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Date and Place of Birth:

January 15, 1942; Chicago, Illinois

Citizenship:

U.S.A.

Current Position:

Miller-Freedman Professor of Finance, The Wharton School, University of
Pennsylvania, Philadelphia, PA 19104

Degrees:

B.A. (Economics), Purdue University, 1964
Ph.D. (Economics), University of Minnesota, 1968

Previous Positions:

Assistant Professor
Northwestern University, 1968-1970

Assistant Professor
University of Massachusetts, 1970-1973

Associate Professor
State University of New York at Stony Brook, 1973-1974

Associate Professor and Professor
University of Illinois, 1974-1979

Visiting Associate Professor
University of Iowa, Spring 1975

Chairman, Department of Finance
The Wharton School, 1988-1994 and 2006-2010

Other Professional Experience:

Consulting:

RAND Corporation 1967.
Expert witness, United States Tariff Commission, 1969.
United States Agency for International Development, 1970
National Science Foundation 1982-85.
United States Department of Justice, 1981-86.

Program Committee Member: Econometric Society Meetings, 1975, 1977, 1978 and 1989

Organizer, National Bureau of Economic Research-National Science Foundation sponsored conferences on Theoretical Industrial Organization, December 1976 and November 1979.

Organizer, National Bureau of Economic Research-National Science Foundation sponsored conference on Decentralization, 1987.

Scientific Organizing Committee Member: 1987 French Finance Association Meeting Toulouse, France

Member of the Program Committee: June, 2000 Conference on Economic Design, Istanbul Turkey

Scientific Organizing Committee Member: June-July 2005 Conference in Tribute to Jean Jacques Laffont, Toulouse, France

Organizing Committee: First Annual Penn-NYU Conference on Corporate Law and Finance, February, 2005, New York

Invited Research Scholar and Visiting Professor:

Hebrew University of Jerusalem, 1975 and 1983
Laboratoire d'Econometrie, l'Ecole Polytechnique, Paris, January 1977 and January 1978.
Universite de Montreal, Montreal, Quebec, 1978.
University of Strassbourg, 1982.
Tel Aviv University, Israel, 1983
Haifa University, Israel, 1983
London School of Economics, December 1985
University of Southern California, 1985
Universite de Toulouse, Toulouse, France, March-April 1987.
Autonoma University of Barcelona, March, 1987 and June, 1991.
University of the Bosphorus, Istanbul, Turkey, April 1987.
University of British Columbia, Vancouver, British Columbia, Canada, July, 1989, and February, 1995.
Stockholm School of Economics, April, 1995.
Gothenberg University, May, 1995 May, 1996 and May, 1997.
The University of Alberta, Edmonton, Alberta, Canada, August, 1995.
The Copenhagen Business School, November, 1998 and May, 2001

Centro de Estudios Monetarios y Financieros (Centre for Monetary and Financial Studies, CEMFI), Madrid, June 1999
Fundacion Getulio Vargas, Rio de Janeiro, Brazil, May, 2001 and August 2002.
Pompeu Fabra University, Barcelona, March, 2003 and March 2004.
Economics Department, University of Chicago, May, 2003
Toulouse School of Economics and Fondation Jean-Jacques Laffont, Toulouse, France, December, 2013
Swedish Institute of Finance, Stockholm, Sweden, April, 2014

Additional teaching experience:

University of Iowa, 1975
Wharton Executive programs in Philadelphia and Lisbon, Portugal
Sasin Graduate Institute of Business Administration, Chulalongkorn University, Bangkok, Thailand, 1984-2014
Metzler Foundation Visiting Professor, Goethe Universitat, Frankfurt, Germany, summer 1992.

Professional Honors:

Fellow of the Econometric Society
Keynote Speaker, Western Finance Association Meetings, Los Cabos, Mexico, June 2003
Minnesota Lecture, Department of Economics, University of Minnesota, November 2006
Awarded the John S. Day Distinguished Academic Service Award by the Krannert School of Purdue University, October, 2007
Presented The Jean Jacques Laffont Commemorative Seminar, Toulouse School of Economics, Toulouse France, April, 2015
Keynote Speaker, 9th National Chiao Tung University International Finance Conference, Taipei, Taiwan, January, 2016

Editorial Boards:

Review of Quantitative Finance and Accounting
Journal of Emerging Market Finance

Publications:

Book Review of Murakami, Logic and Social Choice, in *Public Choice* 7 (Fall 1969).

"On the Use of Approximate Prior Distributions in a Bayesian Decision Model," *Econometrica* (November 1971).

(with M. Pauly) "The Role of Insurance in the Allocation of Risk," *American Economic Review* (May 1971).

"A Bayesian Model of Demand for Information about Product Quality," *International Economics Review* (February 1974).

(with L. Mirman) "Risk Aversion with Many Commodities," *Journal of Economic Theory* (July 1974).

"A General Theory of Demand for Information about Product Quality," *Journal of Economic Theory* (August 1974).

(with L. Mirman) "Information and Market Equilibrium," *Bell Journal of Economics* (Spring 1975).

(with A. Mas-Collel and H. Sonnenschein) "The Demand Theory of the Weak Axiom of Revealed Preferences," *Econometrica* (September 1976).

"Firm Demand for Information about Price and Technology," *Journal of Political Economy* (December 1976).

(with S. Grossman and L. Mirman) "A Bayesian Approach to the Production of Information and Learning by Doing," *Review of Economic Studies* (October 1977).

(with D. Levhari) "Quality, Regulation and Efficiency," *Kyklos* 30 (1977).

(with J. J. Laffont) "A General Equilibrium Theory of Firm Formation Based on Risk Aversion," *Journal of Political Economy* 87 (August 1979).

(with J. J. Laffont) "A Competitive Entrepreneurial Model of a Stock Market," in J. McCall (ed.), *The Economics of Information and Uncertainty: Proceedings of Universities-National Bureau Conference*, 1982.

(with M. Boyer and J. J. Laffont) "Le Calcul Economique de la Publicite Frauduleuse," *L'Actualité Economique* 5 (1979).

(with L. Mirman) "Constant, Increasing and Decreasing Risk Aversion with Many Commodities," *Review of Economics Studies* 48 (1981).

(with D. Romer and S. Williams) "Risk Aversion with Random Initial Wealth," *Econometrica* 49 (July 1981).

(with A. Roth and D. Schmeidler) "Risk Aversion and Solutions to Nash's Bargaining Problem" in D. Moeslin and D. Pallaschke (eds.), *Game Theory and Mathematical Economics* (1981).

(with A. Roth) "Risk Aversion and the Negotiation of Insurance Contracts," *Journal of Risk and Insurance* 49 (September 1982).

(with J. J. Laffont) "Implicit Labor Contracts and Free Entry," *Quarterly Journal of Economics* 98 Supplement (1983).

(with J. J. Laffont) "Taxation and Risk-Taking in General Equilibrium Models," *Journal of Public Economics* 21 (1983).

"A Bayesian Exposition of Blackwell's Theorem on the Comparison of Experiments," in M. Boyer and R. Kihlstrom (eds.), *Bayesian Models in Economic Theory*, Amsterdam: North-Holland American Elsevier (1984).

(with L. Mirman and A. Postlewaite) "Experimental Consumption and the 'Rothschild Effect'" in M. Boyer and R. Kihlstrom (eds.), *Bayesian Models in Economic Theory*, Amsterdam: North-Holland American Elsevier (1984).

"Market Determinants of Misleading Advertising" (with M. Boyer and J. Laffont) in M. Boyer and R. Kihlstrom (eds.), *Bayesian Models in Economic Theory*, Amsterdam: North-Holland American Elsevier (1984).

"A Simple Example of the Radner-Stiglitz Nonconcavity in the Value of Information," in M. Boyer and R. Kihlstrom (eds.), *Bayesian Models in Economic Theory*, Amsterdam: North-Holland American Elsevier (1984).

(with X. Freixas) "Risk Aversion and Information Demand" in M. Boyer and R. Kihlstrom (eds.), *Bayesian Models in Economic Theory*, Amsterdam: North-Holland American Elsevier (1984).

(with L. Mirman) "Market Experience and Accurate Price Expectations" in M. Boyer and R. Kihlstrom (eds.), *Bayesian Models in Economic Theory*, Amsterdam: North-Holland American Elsevier (1984).

(with Mike Riordan) "Advertising as a Signal," *Journal of Political Economy* (June 1984).

Comment on "Manipulation and Repeated Games in Futures Markets" by Graciela Chichilnisky, in R. W. Anderson (ed.), *The Industrial Organization of Futures Markets*, Lexington, MA: Heath and Company (1984).

"The Informational Role of Mergers in the Context of a Complete Securities Market," in L. Thomas (ed.), *The Economics of Strategic Planning* (1986).

Comment on Kotowitz and Mattewson, in P. Ippolito (ed.), *Proceedings of the FTC Conference on Empirical Approaches to Consumer Protection Economics* (1986).

(with J. De Temple) "Acquisition d'Information dans un Modele Intertemporal en Temps Continu," *L'Actualite Economique*, (1988).

"Optimal Contracts for Security Analysts and Portfolio Managers," *Studies in Banking and Finance: Essays in Financial Economics in Honor of Irwin Friend* (Supplement to the *Journal of Banking and Finance*) 5 (1988) 291-325.

(with M. Boyer and G. Dionne) "Insurance and the Value of Publicly Available Information" in *Studies in the Economics of Uncertainty: In Honor of Josef Hadar* (New York: Springer Verlag, 1989).

(with X. Vives) "Collusion by Asymmetrically Informed Duopolists," 1989, *European Journal of Political Economy* 5 (1989) 371-402.

(with S. Matthews) "Managerial Incentives in an Entrepreneurial Stock Market Model," *Journal of Financial Intermediation* 1 (1990) 57-79.

"Term Premia in a Simple Term Structure Model," *Journal of Economic Dynamics and Control* 16 (1992) 713-46.

(with Xavier Vives) "Collusion by Asymmetrically Informed Firms," *Journal of Economics and Management Strategy* 1 (1992) 371-96.

"The Macro Policy Game When the Monetary Authority Can Move First," Proceedings of a conference sponsored by the Central Bank of Turkey (1997)

(with J. J. Laffont) "General Equilibrium in a Labor Managed Economy with Uncertainty and Incomplete Markets," *Annals of Economics and Finance* May 2002.

(With Michael L. Wachter) "Managing to Market Mispricing Versus Maximizing Corporate Value: the Essential Tension in Corporate Law," *Penn Law Review*, (Dec., 2003) 523-77.

"Risk Aversion and the Elasticity of Substitution in General Dynamic Portfolio Theory: Consistent Planning by Forward Looking, Expected Utility Maximizing Investors," *Journal of Mathematical Economics*, 2009.

Book:

Bayesian Models in Economic Theory (edited with M. Boyer), Amsterdam: North-Holland American Elsevier (1984).

Unpublished Working Papers:

"Monopoly Power in Dynamic Securities Markets," Revised 2001.

"Bertrand, Cournot and Monopolistically Competitive Equilibria," June, 2005.

(With Michael L. Wachter) "Takeover Defenses and Managerial Incentives under Alternative Legal Regimes," January, 2007. Received an Honorable Mention Rodney L. White Center's competition for Geewax, Terker & Company prizes in Investment Research

"The Value of Information with Kreps Porteus Preferences," January, 2013.

"Consumption Based Asset Pricing in a General Model of Expected Utility Maximizing Investors," April, 2014

"Generalized Krugman Equilibria," October 2015

"Generalized Melitz Equilibria," October 2015

"Early Resolution of Uncertainty and Asset Prices," Joint with Christian Gollier, June 2016. Presented at the Society for Economic Dynamics, June 2016, meetings in Toulouse, France

"Recursive Asset Pricing with Non-Recursive Preferences" Joint with Christian Gollier, March 2018.