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Seminar

Speaker: **Maria Grith**
Research Assistant
School of Business and Economics
Humboldt-Universität zu Berlin

Title: **An Axiomatic and Data Driven View on the EPK Paradox**

Time: **3:20 – 4:20pm, Wednesday, November 28, 2012**

Place: **552 Hill Center**

Abstract

Supported by several recent investigations, the empirical pricing kernel (EPK) paradox might be considered as a stylized fact. Some authors suggest that this paradox might be caused by regime switching in financial markets. Based on an economic model with state dependent utilities and reference points we want to emphasize a microeconomic view that succeeds in explaining the paradox via state dependent preferences. We shall also develop and investigate an inverse problem in terms of data fit for basic values of the pricing kernel.

**** Refreshments will be served at @2:50pm in Room 502 Hill Center ****

