Institute for Mathematical Sciences
Distinguished Visitor Lecture Series

Finance and Risk Management Cluster
Interdisciplinary Speaker Series

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Dynamic Contracts (Part I & II)

9 and 10 July 2018
11.30am - 12.30pm, IMS Auditorium
3 Prince George's Park, Singapore 118402

Yuliy Sannikov
Stanford Graduate School of Business

About the talk

Dynamic incentive problems are crucial in economics. In macroeconomics, incentives pose constraints that lead to inequality. In corporate finance, incentives justify financial frictions and impose limits on optimal capital allocation. The lecture will be based on a cutting-edge research paper on dynamic contracting using continuous-time methods. In this setting, stochastic calculus provides powerful ways to characterize optimal solutions and to study dynamics – what incentives imply about the distribution of wealth and future outcomes.

About the speaker

Yuliy Sannikov is the Jack Steele Parker Professor of Economics at Stanford Graduate School of Business and the 2016 winner of the John Bates Clark medal, which is awarded by the American Economic Association to "that American economist under the age of forty who is adjudged to have made the most significant contribution to economic thought and knowledge". He also won in 2015 the Fischer Black Prize, which is an honor for a leading young finance scholar, analogous to the John Bates Clark Medal in economics and the Fields Medal in mathematics. By using stochastic calculus, Sannikov has significantly enriched the toolbox for studying dynamic games. As a result of his contributions, new areas of economics, game theory, and finance have become tractable for rigorous theoretical analysis.