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### **EDUCATION**

B.A., University of Michigan, 1969. Major fields: Economics/mathematics.

Junior year abroad, London School of Economics, 1967 -68.

M.Sc., Hebrew University, 1972. Major field: Mathematical economics.

Ph.D., Tel Aviv University, 1978. Major field: Finance.

### **POSITIONS HELD**

Current: Professor of Finance, Tel Aviv University, Academic Director of the Sofaer International MBA Program (a program I founded)

October 2003- September 2007: Dean, Faculty of Management, Tel Aviv University

April 1998 - 2010: Professor of Finance, Faculty of Management, Tel Aviv University

Concurrently: Visiting Professor of Finance, Wharton School, University of Pennsylvania

From October 1998: Professor of Finance, University of Groningen, Netherlands (partial appointment)

October 1996 - April 1998: Professor of Finance, School of Business, Hebrew University, Israel

October 1990-- 1996: Associate Professor, School of Business, Hebrew University, Israel

1986-2008: Visiting Professor of Finance, Wharton School of the University of Pennsylvania

1985-1990: Senior Lecturer, School of Business, Hebrew University of Jerusalem, Israel

Fall 1990: Bank Mees & Hope Visiting Professor of Finance, Erasmus University, Rotterdam, Holland

September 1988-June 1989: Visiting Professor of Finance, Graduate School of Management, University of California at Los Angeles

October 1984--October 1985: Lecturer, School of Business, Hebrew University of Jerusalem, Israel

September 1984: Consultant, Research Department of the Federal Reserve Bank of Philadelphia

June-July, 1984: Visiting Professor of Finance, University of Otago, Dunedin, New Zealand

February 1979-September, 84: Lecturer in Finance, Faculty of Management, Tel Aviv University;  
Assistant Professor of Finance, Wharton School of the University of Pennsylvania (joint position)

January 1977-December 1978: Lecturer and Visiting Assistant Professor of Finance, Wharton School of the University of Pennsylvania

## ACADEMIC HONORS AND ACTIVITIES

Phi Beta Kappa, University of Michigan, 1968.

Prudential Inflation Fellowship, University of Pennsylvania, Summer 1981.

Research Associate and grant recipient, Center for the Study of Futures Markets, Columbia University, New York City, 1981.

William E. Simon Fellow, Israel Council for Higher Education, 1982.

Member of Executive Committee, European Finance Association, 1985--1989, 1992-present.

External Ph.D. examiner, Erasmus University of Rotterdam, 1986.

Grant recipient, Leonard Davis Institute for International Relations, Hebrew University, 1987 and 1988.

Visiting Fellow at Hitotsubashi University, Japan Society for the Promotion of Science, Fall 1994.

Israel Science Foundation grants, 1995-96 and again 2005-2008.

Kurt Lion Fellowship (with University of Konstanz, Germany): 2005-06.

Dan Ziskind Prize for research, 2013

## PARTICIPATION IN ACADEMIC CONFERENCES

Speaker, European Conference of the Econometric Society, Helsinki, 1976.

Speaker and paper discussant, American Finance Association meetings, Chicago, 1978.

Speaker, Financial Management Association meetings, New Orleans, 1980.

Speaker and paper discussant, European Finance Association, Jerusalem, 1982.

Speaker, Conference on "Industrial Organization of Futures Markets," Columbia University, November, 1982.

Speaker and paper discussant, European Finance Association, Manchester, September 1984.

Speaker, Options Colloquium V, American Stock Exchange, March 1985.

Speaker and paper discussant, European Finance Association, Bern, August 1985.

Invited paper, American Finance Association, New York, December 1985.

Speaker, Conference on International Finance, Jouy-en-Josas, France, June 1986.

Invited paper, Pinhas Sapir Conference on "The Economic Effects of the Government Budget," Tel Aviv, December 1986.

Speaker, Western Finance Association, San Diego, June 1987.

Speaker, European Finance Association, Madrid, September 1987.

Invited paper, Workshop on International Finance, European Finance Association Brussels, November 1987.

Invited paper, Workshop on Investments, European Finance Association, Brussels, December 1988.

Invited paper, Israel Economics Association, Jerusalem, December 1989.

Speaker, French Finance Association, Paris, June 1990.

Speaker, European Finance Association, Athens, September 1990.

Speaker, American Finance Association, January 1998.

Invited lecturer, European Finance Association Workshop in Finance, Brussels, Winter 1990.

Program committee, European Finance Association annual meeting, 1991, 1992, 1993, 1994, 1995, 1997.

Speaker, American Finance Association, 1999.

European Finance Association, almost every year.

Many more ...

Seminar Speaker: University of California at Los Angeles, University of Utah, University of Groningen (Holland), University of Pennsylvania, New York University, University of Rochester, Johns Hopkins University, University of Quebec, Dartmouth College, Columbia University, Bar Ilan University, Hebrew University, Tel Aviv University, Haifa University, Ben Gurion University, Northwestern University, University of Wisconsin, Federal Reserve Bank of Philadelphia, Claremont Graduate School, University of Otago (New Zealand), University of Canterbury (New Zealand), Erasmus University (Holland), Catholic University of Leuven (Belgium), University of Gothenburg (Sweden), University of Konstanz (Germany), Catholic University of Tilburg (Holland), University of Southern California, Cornell University, Vanderbilt University, Keio University, Hitotsubashi University, Kobe University.

## REFEREEING AND EDITORIAL

Editorial board, *Journal of Financial Stability*, 2004 - present

Associate editor, *Finance Letters*, 2002 – present.

Founding Editor-in-Chief, *European Finance Review*, Journal of the European Finance Association, 1995. I founded the journal and was editor for 7 volumes (through 2003). From 2004 I am on the Advisory Board of the journal. The journal is now called *Review of Finance* and is one of the 5 top-rated finance journals.

Associate editor, *Journal of Banking and Finance*, 1985-1993.

Associate editor, *Journal of International Financial Markets, Institutions, and Money*, 1992 - present.

Associate editor, *Mathematica in Education and Research* (Springer Verlag), 1993 - 1999. Since the refounding of the journal in 2004, I am again an associate editor.

Editor, Special Issue on European financial markets, *Journal of International Financial Markets, Institutions, and Money*, 1993.

Beta Tester for computer programs: Wolfram Research, Inc. (*Mathematica*).

Research proposal referee for National Science Foundation (U.S.A.) and Bi-National (U.S.A./Israel) Science Foundation.

## OTHER PROFESSIONAL AND PUBLIC ACTIVITIES

Board member of the Tel Aviv Stock Exchange, 2006 – 2008.

Board member of the Tel Aviv Options Clearing House, 2004 – 2008.

Executive teaching: Bear Stearns, Pepsi Bottling Group, Alpha Bank (Greece), BA Financial Consultants (Argentina), Arthur Andersen, Amsterdam Institute of Finance, New York Institute of Finance, University of Amsterdam, CESA Bogota, Adolfo Ibañez Santiago, Solvay Business School Brussels, CIIM Nicosia, and others.

Member, PWC Valuation & Strategy Global Competence Centre's Advisory Board, 2002 – 2008. Other members: Michael Brennan and Julian Franks.

Head of finance group, Tel Aviv University, 2000 – 2003, 2008-present.

Head of doctoral program, Tel Aviv University, 2001-2003.

Member of Israel Accounting Standards Board, Professional Committee, 1998-1999.

Organized and led professional seminars on “The Financial Analysis of Leasing,” 1980s.

Organized and led seminars on Futures Markets in Tel Aviv, Jerusalem, and Wellington, New Zealand, 1980s.

Academic coordinator, Business Studies Program of the Rothberg School for Overseas Students, Hebrew University of Jerusalem, 1985-1987.

Coordinator of finance faculty at School of Business Administration of Hebrew University, 1986-1988, 1993-present.

Department Chairman, School of Business Administration of Hebrew University, 1989-1992.

Board member and chairman of investments committee, Kahal Investment Fund (assets of \$550 million), 1991-1992.

Co-organizer of the Jerusalem Finance Symposium (international conference), Spring 1992.

Professor, Wharton Executive MBA Program, 1991-present.

Board member and chairman of investments committee, Ofek Investments Ltd. (approximately \$1.2 billion under management), 1993-1999.

Member, Steering Committee of Shatil--a public service organization.

Board member and Treasurer (1996-1999) of New Israel Fund, a charitable organization (annual budget--approximately \$20 million), 1994 – 2002 (volunteer activity).

Board member, Elco Industries, 2001 – 2003.

Chair of board, Jerusalem International YMCA, 2008 – present.

Board member, Kali Financial Markets, 2010 – 2013.

Chairman, Jerusalem International YMCA, 2009 – present (volunteer activity)

## PUBLISHED PAPERS

“Competitive Equilibrium with Bankruptcy in a Sequence of Markets,” *International Economic Review*, October 1979, pp. 557-575.

“General Equilibrium with Financial Markets,” *Journal of Finance*, May 1979, pp. 325-339.

“Discussion” of G. O. Bierwag and Chulsoon Khang, “An Immunization Strategy is a Minimax Strategy,” *Journal of Finance*, May 1979, pp. 413-414.

- “Majority Choice and the Objective Function of the Firm under Uncertainty,” (with Eitan Muller). *Bell Journal of Economics*, Fall 1979, pp. 670-682.
- “Majority Choice and the Objective Function of the Firm: A Reply,” (with Eitan Muller). *Bell Journal of Economics*, Spring 1981, pp. 338-39.
- “Non-Linear Pricing Systems in Finance,” *Research in Finance*, Vol. 4, 1983, pp. 21-42.
- “Real and Nominal Interest Rates under Uncertainty: The Fisher Theorem and the Term Structure,” (with Aris Protopapadakis). *Journal of Political Economy*, Vol. 91, October 1983, pp. 856-867.
- “Futures Markets when Agents are Myopic,” in *Industrial Organization of Futures Markets*, Ronald Anderson (ed.), Lexington, MA: Heath, 1984, pp. 113-33.
- “Optimal Hedging in Futures Markets under Price Uncertainty,” (with Rafael Eldor and Itzhak Zilcha). *Economics Letters*, Vol. 13, October 1983, pp. 141-145.
- “The Optimal Hedge Ratio in Unbiased Futures Markets,” (with Rafael Eldor and Itzhak Zilcha). *Journal of Futures Markets*, Vol. 3, Summer 1984, pp. 155-159.
- “The Neutrality of the Real Equilibrium under Alternative Financing of Government Expenditures,” (with Aris Protopapadakis). *Journal of Monetary Economics*, Vol. 14, September 1984, pp. 183-208.
- “An Empirical Analysis of the Delivery Option, Marking to Market, and the Pricing of Treasury Bond Futures,” (with Michael Smirlock). *Journal of Futures Markets*, Vol. 5, Fall 1985, pp. 361-74.
- “Optimal International Hedging in Commodity and Currency Forward Markets,” (with Rafael Eldor and Itzhak Zilcha). *Journal of International Money and Finance*, Vol. 4, December 1985, pp. 537-552.
- “On the Optimality of Portfolio Insurance,” (with Marshall Blume). *Journal of Finance*, Vol. 40, December 1985, pp. 1341-52.
- “General Equilibrium Properties of the Term Structure of Interest Rates,” (with Aris Protopapadakis). *Journal of Financial Economics*, Vol. 16, July 1986, pp. 389-410.
- “Decision Intervals and Portfolio Strategy,” (with Marshall Blume). *Studies in Banking and Finance* 5, 1988, pp. 277-90.
- “Revenue-Neutral Changes in Corporate and Personal Income Taxes and Government Debt,” (with Eli Talmor). in *Economic Effects of the Government Budget*, Cambridge, MA: MIT Press, 1988, pp. 50-64.
- “The Equilibrium Pricing of Exchange Rates and Assets when Trade Takes Time,” (with Aris Protopapadakis). *Journal of International Money and Finance* 7, June 1988, pp. 129-149.
- “The Duration of Partially Indexed Bonds,” *Issues in Banking* 7, March 1988, pp. 39-45 (Hebrew).
- “The Interaction of Corporate and Government Financing in General Equilibrium,” (with Eli Talmor). *Journal of Business*, Vol. 61, April 1988, pp. 233-258.
- “Fiscal Policy and the Term Structure of Interest Rates,” (with Uri Possen). *Journal of Public Economics*, December 1988, Vol. 37, pp. 331-344.
- “Leverage, Time Preference and the Equity Premium Puzzle,” (with Aris Protopapadakis). *Journal of Monetary Economics* 25, January 1990, pp. 49-58.
- “Comparing Portfolio Insurance Strategies.” *Finanzmarkt und Portfolio Management*, 4, 1990, pp.20-30.
- “The Stock Market Premium, Production, and Relative Risk Aversion,” (with Aris Protopapadakis). *American Economic Review*, June 1991, pp. 591-599.

- “Non-Walrasian Equilibria with Speculation.” *Journal of Economic Behavior and Organization* 17, December 1991, pp. 241-256.
- “The Economics of Crowding Out,” (with Uri Possen). *Finnish Economic Papers* 4, Spring 1991, pp. 10-23.
- “Equity Premium,” (with Aris Protopapadakis).entry in *New Palgrave Dictionary of Money and Finance*, 1992, pp. 768-770.
- “Market Expectations of Risk-Free Rates and Volatilities Before and After October 1987,” (with Uri Loewenstein and Oded Sarig). *Journal of Banking and Finance* 17, February 1993, pp. 105-116.
- “Doing Cost of Capital Calculations with Mathematica,” *Mathematica in Education* 2 (Spring 1993), pp. 11-13 .
- “Implementing Numerical Option Pricing Models,” Co-authored with Raz Steinmetz and John Stroughair, *Mathematica Journal* 3 (Issue 4, 1993), pp. 66-73. Reprinted in *Artificial Intelligence in Finance*, Summer 1994. Reprinted in *Economic and Financial Modeling with Mathematica*, Volume II (Telos-Springer, 1996, edited by Hal R. Varian), pp. 250-267.
- “Forward and Futures Prices with Markovian Interest Rate Processes,” Co-authored with Aris Protopapadakis, *Journal of Business* 67 (July 1994), pp. 401-421.
- The Heterogeneous Tax Treatment of Assets' Incomes,” Co-authored with Joram Mayshar and Eli Talmor. *Public Finance* 50, (1996), pp. 19-35.
- A series of articles on numerical aspects of option pricing in *Mathematica in Education and Research (MiER)* (co-authored with Zvi Wiener):
- “The Binomial Option Pricing Model,” *MiER* (1997), Vol. 6, no. 3, pp.
  - “Binomial Option Pricing, the Black-Scholes Option Pricing Formula, and Exotic Options,” *MiER* (1997), Vol. 6, no. 4., pp. 11-14.
  - “Dynamic Hedging Strategies,” *MiER* (1998), Vol. 7, no. 1, pp. 12-16.
  - “Term Structure of Interest Rate,” *MiER* (1998), Vol. 7, no. 2, pp. 13-22.
  - “Binomial Term Structure Models,” *MiER* (1998), Vol. 7, no. 3, pp. 11-19.
  - “Value-at-Risk (VaR),” *MiER* (1998), Vol. 7, no. 4, pp. 39 – 45.
- “An Investigation of Cheapest to Deliver on Treasury Bond Futures Contracts,” co-authored with Zvi Wiener. *Journal of Computational Finance*, vol. 2, number 3, Spring 1999, pp. 35-55.
- “Limiting Differences Between Forward and Futures Prices in a Lucas Consumption Model,” co-authored with Zvi Wiener and Aris Protopapadakis. *Journal of International Financial Markets, Institutions and Money*, Vol. 10, number 2, June 2000, pp. 151 - 161.
- “Heterogeneity and Option Pricing,” co-authored with Joram Mayshar, *Review of Derivatives Research*, vol. 4, 2000, pp. 7-27.
- “Real Options—An Introduction and an Application To R&D Valuation,” co-authored with Efrat Tolkowsky. *Engineering Economist*, May 2002, Vol 47, No. 2, pp. 151-168.
- “On the Use of Numeraire Methods in Option Pricing,” co-authored with Tomas Björk and Zvi Wiener. *Journal of Derivatives*, Winter 2002, Vol. 10, No. 2, pp. 1-15 (lead paper).
- “Risk, Returns and Values in the Presence of Differential Taxation,” co-authored with Oded Sarig. *Journal of Banking and Finance*, Vol. 27, number 6, 2003, pp. 1123-38.
- “Hedging With Forwards And Puts In Complete And Incomplete Markets,” co-authored with Casper Oosterhof, *Journal of Banking and Finance*, 2004, Vol. 28, No. 1, pp. 1 – 17 (lead paper).

“The Timing of Initial Public Offerings,” joint paper with Mark Helmantel and Oded Sarig, *Journal of Financial Economics*, 2005, Vol. 75, No. 1, 115-132.

“Shrinking the Covariance Matrix—Simpler is Better,” co-authored with David J. Disatnik. *Journal of Portfolio Management*, Summer 2007, Vol 33, No. 4, pp. 56-63.

“Taxation and the Valuation of Employee Stock Options,” co-authored with Menachem Abudy. *International Journal Managerial Finance*, 2011, Vol. 7, No. 1, pp. 9-37 .

“The Uncertainty Premium in an Ambiguous Economy,” co-authored with Yehuda Itzhakian. *Quarterly Journal of Finance*, 2011, Vol. 1, No. 2, pp.323-354.

“Production and Hedging Implications of Executive Compensation Schemes,” co-authored with Sagi Akron. *Journal of Corporate Finance*. Vol. 19, February 2013, pp. 119–139.

“Non-Marketability and the Value of Employee Stock Options,” co-authored with Menachem Abudy. *Journal of Banking and Finance*, December 2013, pp. 5500-5510.

## CURRENT RESEARCH

Cost of capital of privately-held firms (with Menachem Abudy)

“Expected Bond Returns and the Credit Risk Premium,” with Zvika Afik, January 2014.

Monte-Carlo tests of asset pricing models (with Sharon Garyn-Tal)

## BOOKS

I have published four books (8 different editions) that have sold over 200,000 copies. The books have been translated into Japanese, Russian, Polish, Chinese, Italian, Spanish, Persian and Vietnamese. There is also a Malaysian adaptation of *Principles of Finance with Excel*.

*Numerical Methods in Finance*. Cambridge: MIT Press, 1989, 241 pages.

Japanese translation--Tokyo: Toyo Keizai Shinposha, 1991.

*Corporate Finance: A Valuation Approach* (with Oded Sarig), 1997, McGraw-Hill, 440 pages.

Translations:

Polish translation: *Finanse przedsiębiorstwa: Metody wyceny*, published by WIG-Press, 2000.

Japanese translation—Tokyo: Chup Keizai Sha, 2002.

*Financial Modeling*. MIT Press. This book is now the standard book in its field, in wide use in academia and among practitioners.

First edition, 1997, 405 pages.

Second edition (622 pages), August 2000. Named best financial engineering textbook by *Financial Engineering News*, 2003.

Third edition (1134 pages), December 2007.

Fourth edition (1083 pages), April 2014

Translations of second edition:

Italian translation, *Modelli Finanziari*, published by McGraw-Hill Libri of Milan, November 2001.

Chinese edition, Shanghai University of Finance and Economics Publishing House, January 2003.

Japanese edition published by Seibunsha, 2005.

Russian edition published by Williams Publishing, 2007

Translations of third edition:

Chinese edition, Truth and Freedom Press, 2010

Italian edition, McGraw-Hill Libri, 2012

Translations of fourth edition:

Chinese edition, Truth and Freedom Press, forthcoming

*Principles of Finance with Excel*. Oxford University Press.

First edition, 2005 (907 pages)

Second edition, 2010 (801 pages)

Third edition, in preparation (new co-author: Tal Mofkadi)

Malaysian edition, June 2012 as *Fundamentals of Finance with Microsoft Excel*, local content by Noryati Binti, Ahmad Hamisah Abd Rahman, Zainora Ab Wahid. Published by Oxford Fajar, Kuala Lumpur, 555 pages.

Chinese edition, Renmin University Press, in preparation.

Spanish edition, in preparation, IC Editorial of Málaga, Spain, in preparation.

Iranian edition, in preparation (Mohsen Eskandarinia, publisher)