

Fernando Zapatero

FBE, Marshall School of Business
University of Southern California
Los Angeles, CA 90089
Phone: (213) 740-6538
Fax: (213) 740-6650
Email: fzapatero@marshall.usc.edu
<http://marshallinside.usc.edu/zapatero>

Employment

Robert G. Kirby Chair in Behavioral Finance Marshall School of Business, USC	January 2012 –
Vice Dean for Graduate Programs Marshall School of Business, USC	September 2012 – June 2015
Department Chair, Finance and Business Economics, Marshall School of Business, USC	July 2007 – June 2011
Professor, Finance and Business Economics, Marshall School of Business, USC (joint appointment at the Economics Department)	June 2007 –
Associate Professor, Finance and Business Economics, Marshall School of Business, USC	May 2004 to May 2007
Assistant Professor, Finance and Business Economics, Marshall School of Business, USC	July 1998 to April 2004
Associate Professor, Centro de Investigación Económica, ITAM, Mexico City	June 1994 to July 1998
Visiting Assistant Professor, Walter A. Haas School of Business, University of California, Berkeley	July 1992 to May 1994
Assistant Professor, Department of Finance, Graduate School of Business, University of Texas at Austin	September 1991 to May 1992
Lecturer in Accounting, ICADE, Madrid, Spain	September 1982 to June 1987

Education

Ph D, Finance	Columbia University, 1991.
Licenciado en Ciencias Empresariales (Business Administration)	ICADE, Madrid, Spain, July 1981.
Licenciado en Derecho (Law)	ICADE, Madrid, Spain, July 1980.

Publications

A) Refereed journals

1. Gómez, J.-P., Priestley, R. and F. Zapatero, "Labor Income, Relative Wealth Concerns, and the Cross-section of Stock Returns," *Journal of Financial and Quantitative Analysis* 51, 2016: 1111-1133.
2. Coskun, C. and F. Zapatero, "Optimal Acquisition of a Partially Hedgeable House," *Mathematics and Financial Economics* 9, 2015: 123-147.
3. Xiouros, C. and F. Zapatero, "The Representative Agent of an Economy with External Habit-Formation and Heterogeneous Risk-Aversion," *Review of Financial Studies* 23, 2010: 3017-3047.
4. Gómez, J.-P., Priestley, R. and F. Zapatero, "Implications of Keeping Up with the Joneses Behavior for the Equilibrium Cross-Section of Stock Returns: International Evidence," *Journal of Finance* 64, 2009: 2703-2737.
5. Suh, S. and F. Zapatero, "A Class of Quadratic Options for Exchange Rate Stabilization," *Journal of Economic Dynamics and Control* 32, 2008: 3478-3501.
6. Cvitanić, J., Wiener, Z. and F. Zapatero, "Analytic Pricing of Employee Stock Options," *Review of Financial Studies* 21, 2008: 683-724.
7. Cvitanić, J., Polimenis, V. and F. Zapatero, "Optimal Portfolio Allocation with Higher Moments," *Annals of Finance* 4, 2008: 1-28 (**lead article**).
8. Cvitanić, J., Goukasian, L. and F. Zapatero, "Optimal Risk Taking with Flexible Income," *Management Science* 55, 2007: 1594-1603.
9. Cadenillas, A., Cvitanić, J. and F. Zapatero, "Optimal Risk-Sharing with Effort and Project Choice," *Journal of Economic Theory* 133, 2007: 403-440.
10. Cadenillas, A., Sarkar, S. and F. Zapatero, "Optimal Dividend Policy with Mean-Reverting Cash Reservoir," *Mathematical Finance* 17, 2007: 81-110.

11. Cvitanic, J., Lazrak, A., Martellini, L. and F. Zapatero, "Dynamic Portfolio Choice with Parameter Uncertainty and the Economic Value of Analysts' Recommendations," *Review of Financial Studies* 19, 2006: 1113-1156 (**lead article**).
12. Cadenillas, A., Cvitanic, J. and F. Zapatero, "Leverage Decision and Manager Compensation with Choice of Effort and Volatility," *Journal of Financial Economics* 73, 2004: 71-92.
13. Ibáñez, A. and F. Zapatero, "Monte Carlo Valuation of American Options through Computation of the Optimal Exercise Frontier," *Journal of Financial and Quantitative Analysis* 39, 2004: 253-275.
14. Lazrak, A. and F. Zapatero, "Efficient Consumption Set under Recursive Utility and Unknown Beliefs," *Journal of Mathematical Economics* 40, 2004: 207-226.
15. Gómez, J.-P., and F. Zapatero, "Asset Pricing Implications of Benchmarking: A Two-Factor CAPM," *European Journal of Finance* 9, 2003: 343-357.
16. Sarkar, S. and F. Zapatero, "The Trade-off Model with Mean Reverting Earnings: Theory and Empirical Tests," *Economic Journal* 113, 2003, 834-860.
17. Zapatero, F. and Luis F. Reverter, "Foreign Exchange Intervention with Options," *Journal of International Money and Finance* 22, 2003, 289-306.
18. Cvitanic, J., Lazrak, A., Martellini, L. and F. Zapatero, "Optimal Allocation to Hedge Funds: An Empirical Analysis," *Quantitative Finance* 3, 2003, 28-39.
19. Cvitanic, J., Goukasian, L. and F. Zapatero, "Monte Carlo Computation of Optimal Portfolios in Complete Markets," *Journal of Economic Dynamics and Control* 27, 2003: 971-986.
20. Cvitanic, J., Lazrak, A., Quenez, M.C. and F. Zapatero, "Incomplete Information with Recursive Preferences," *International Journal of Theoretical and Applied Finance* 4, 2001: 245-262.
21. Cadenillas, A. and F. Zapatero, "Classical and Impulse Stochastic Control of the Exchange Rate using Interest Rates and Reserves," *Mathematical Finance* 10, 2000: 141-147.
22. Cuoco, D. and F. Zapatero, "On the Recoverability of Preferences and Beliefs," *Review of Financial Studies* 13, 2000: 417-431.
23. Cadenillas, A. and F. Zapatero, "Optimal Central Bank Intervention in the Foreign Exchange Rate Market" *Journal of Economic Theory* 87, 1999: 218-242.
24. Zapatero, F., "Effects of Financial Innovations on Market Volatility when Beliefs are Heterogeneous," *Journal of Economic Dynamics and Control* 22, 1998: 597-626.

25. Sundaresan, S. M. and F. Zapatero, "Valuation, Asset Allocation and Retirement Incentives of Pension Plans," *Review of Financial Studies* 10, 1997: 631-660.
26. Goldstein, R. and F. Zapatero, "General Equilibrium with Constant Relative Risk Aversion and Vasicek Interest Rates," *Mathematical Finance* 6, 1996: 331-340.
27. Zapatero, F., "Equilibrium Asset Prices and Exchange Rates," *Journal of Economic Dynamics and Control* 19, 1995: 787-811.
28. Detemple, J. B. and F. Zapatero, "Optimal Consumption-Portfolio Policies with Habit Formation," *Mathematical Finance* 2, 1992: 35-58.
29. Detemple, J. B. and F. Zapatero, "Asset Pricing in an Exchange Economy with Habit Formation," *Econometrica* 59, 1991: 1633-1657.

B) Book chapters, surveys, proceedings

1. Zapatero, F., "Reference-Based Decisions in Finance," in I. Venezia (ed.), *Behavioral Finance: Where do Investors Biases Come From?*, World Scientific, 2016: 3-29.
2. Maisch, M. and F. Zapatero, "The Optimal Term Structure of Debt Maturity," in I. Venezia and Z. Wiener, (eds.), *Bridging the GAAP: Recent Advances in Finance and Accounting*, World Scientific, 2012: 229-240.
3. Cadenillas, A., Cvitanic, J. and F. Zapatero, "Stochastic Control Methods for the Problem of Optimal Compensation of Executives," in P. Baxendale and S. Lototsky, (eds.), *Stochastic Differential Equations: Theory and Applications. A volume in honor of Professor B. L. Rozovskii*, World Scientific, 2007: 169-196.
4. Cvitanic, J., Martellini, L. and F. Zapatero, "Optimal Active Management Fees," in E. Yücesan, C.-H. Chen, J. Snowdon and J. Charnes (eds.) *Proceedings of the 2002 Winter Simulation Conference*, 2002, vol 2: 1555-1559.
5. Cvitanic, J., Goukasian, L. and F. Zapatero, "Hedging with Monte Carlo Simulation," in E. Kontoghiorghes, B. Rustem and S. Siokos (eds.), *Computational Methods in Decision-Making, Economics and Finance*, Kluwer Academic Publishers, 2002, vol 2: 339-353.
6. Zapatero, F., "Los Fondos de Pensiones desde un Punto de Vista Financiero," *Cuadernos Económicos del ICE* 50, 1992: 157-174.

Working Papers

1. Zambrana, R. and F. Zapatero, "A Tale of Two Types: Generalists vs. Specialists in Mutual Funds Asset Management," October 2016.

2. Kim, M. and F. Zapatero, “The Distorting Incentives of Relative Performance Evaluation for Equity Analysts,” October 2016.
3. Sotes-Paladino, J. and F. Zapatero, “A Rationale for Benchmarking in Money Management,” September 2016.
4. Aharoni, G., Shemesh, J. and F. Zapatero, “Star Analysts’ Rankings and Strategic Announcements: The Case of Battleground Stocks,” August 2016.
5. Navone, M. and F. Zapatero, “Uncertainty, Reputation, and Analysts Coverage,” August 2016.
6. Brocas, I., Carrillo, J., Giga, A. and F. Zapatero, “Skewness Seeking in a Dynamic Portfolio Choice Experiment,” August 2016.
7. Brocas, I., Carrillo, J., Giga, A. and F. Zapatero, “Risk Aversion in a Dynamic Asset Allocation Experiment,” July 2016.
8. Sotes-Paladino, J. and F. Zapatero, “Riding the Bubble with Convex Incentives,” June 2016.
9. Shemesh, J. and F. Zapatero, “The Intensity of Keeping Up with the Joneses Behavior: Evidence from Neighbor Effects in Car Purchases,” May 2016.
10. Cadenillas, A., Cvitanic, J. and F. Zapatero, “Executive Stock Options as a Screening Mechanism,” February 2012.

Books

1. Cvitanic, J. and F. Zapatero, *Introduction to the Economics and Mathematics of Financial Markets*, MIT Press, Cambridge, MA, 2004, 496 pages.
2. Zapatero, F., *Manual de Consolidación de Estados Financieros de los Grupos de Empresas*, Ministerio de Economía y Hacienda, Madrid, 1988, 234 pages.

Publication Awards

Detemple, J. B. and F. Zapatero, “Optimal Consumption-Portfolio Policies with Habit Formation,” *Mathematical Finance* 2, 1992: 35-58, tied for third place on the 1992 Best Paper of Mathematical Finance Award.

Presentations at Conferences

A) Presentations

- AIM Investment Conference, UT Austin, September 2016.
- Finance Forum, Madrid, Spain, July 2016.
- Second International Congress on Actuarial Science and Quantitative Finance (**plenary speaker**), Cartagena, Colombia, June 2016.
- Asset Management Conference, Nova School of Business and Economics, Lisbon, November 2015.
- Finance Forum, Madrid, Spain, July 2015.
- First Israel Behavioral Finance Conference (**keynote speaker**), Tel-Aviv, May 2015.
- Third ITAM Finance Conference (**keynote speaker**), ITAM, Mexico City, June 2014.
- Financial Modeling and Capital Markets, Hebrew University, May 2014.
- Borsa Istanbul Finance and Economics Conference (BIFEC), September 2013.
- CNMV International Conference on Securities Markets, Madrid, Spain, September 2012.
- Meeting of the Academy of Behavioral Finance and Economics, UCLA, September 2011.
- International Workshop in Finance (**plenary speaker**), Kyoto, August 2011.
- International Conference on Mathematical Finance and Economics (**plenary speaker**), Istanbul, July 2011.
- European Workshop on General Equilibrium Theory, Universitat Pompeu Fabra, Barcelona (Spain), June 2009.
- Instituto de Empresa (Madrid), New Stars in Finance Conference (**keynote speaker**), July 2008.
- Duke/UNC Conference on Asset Pricing, December 2007.
- Conference on Computing in Economics and Finance, June 2007.
- Advances in Portfolio Management, Notre Dame University, June 2007.
- Econometric Society, January 2006.
- American Finance Association, January 2003.
- Winter Simulation Conference, December 2002.
- CIRANO Conference on Numerical Methods in Finance, March 2002.

- Mathematical Canadian Society, December 2000.
- World Meetings of the Econometric Society, August 2000.
- Conference on Computing in Economics and Finance, July 2000.
- Information Modeling in Finance, Paris-Evry, January 2000.
- Latin-American Meetings of the Econometric Society, August 1999.
- WFA Meetings, June 1999.
- III Jornadas de Economía Financiera, June 1998.
- Econometric Society, January 1998.
- Latin-American Meetings of the Econometric Society, August 1997.
- Meetings of the Society for Economic Dynamics, July 1997.
- Econometric Society, January 1997.
- Meetings of the Society for Economic Dynamics and Control, June 1996.
- CIRANO-CRM Workshop on the Mathematics of Finance, May 1996.
- II Jornadas de Economía Financiera, June 1995.
- Econometric Society, January 1995.
- I Jornadas de Economía Financiera, June 1993.
- Econometric Society, January 1992.
- FMA Meetings, Doctoral Seminar, October 1990.

B) Discussions

- Finance Forum, Madrid, Spain, July 2016.
- Northeastern University Finance Conference, May 2016.
- Midwest Finance Association, March 2016.
- Finance Forum, Madrid, Spain, July 2015.
- UCI/UCLA/USC Finance Conference, May 2014.
- Miami Behavioral Finance Conference, December 2013.
- Texas Quantitative Finance Festival, UT-Austin, October 2013.
- Finance Forum, Segovia, Spain, November 2013.
- Finance Forum, Oviedo, Spain, November 2012.
- First ITAM Finance Conference, ITAM, Mexico City, May 2012.
- Duke/UNC Conference on Asset Pricing, March 2012.
- Current Issues in Real Estate Finance Symposium, Lusk Center, USC, February 2011.
- UCLA/USC Finance Conference, April 2010.

- Research Workshop on Macroeconomics and Finance, CEU Cardenal Herrera, Valencia (Spain), June 2009.
- Western Finance Association, June 2007.
- Finance and Accounting Conference, USC, November 2004.
- American Finance Association, January 2003.
- Western Finance Association, June 2000.
- Liquidity Conference at UCLA, April 2000.
- American Finance Association, January 2000.
- Equity Premium Conference at UCLA, April 1999.
- American Finance Association, January 1994.

Seminars

- BI Norwegian Business School, Oslo, Norway, May 2016.
- IE Business School, Madrid, Spain, March 2016.
- Claremont McKenna, School of Economics and Finance, October 2015.
- Texas A&M, Finance Department, February 2015.
- Oxford-Man Institute of Quantitative Finance, January 2014.
- University of Melbourne, Finance Department, May 2013.
- University of Miami, Finance Department, April 2013.
- Universidad Carlos III, Madrid, business school, November 2012.
- Carnegie-Mellon (GSIA), September 2012.
- University of Sydney, Finance Department, August 2012.
- University of New South Wales, Finance Department, August 2012.
- University of Technology, Sydney, Finance Department, August 2012.
- UC Davis, Economics Department, May 2012.
- Yonsei University, Finance Department, May 2012.
- KAIST, Seoul, Finance Department, May 2012.
- Seoul National University, Finance Department, April 2012.
- DePaul University, Finance Department, March 2012.

- USC, Economics Department, December 2011.
- HEC (Montreal), Finance Department, December 2011.
- ITAM, Mexico City, October 2011.
- McMaster University, Finance Department, October 2011.
- Hebrew University, Finance Department, March 2011.
- Tel Aviv University, Finance Department, March 2011.
- Fields Institute, University of Toronto, October 2010.
- Cal Poly San Luis Obispo, Finance Department, May 2010.
- University of Miami, College of Business, November 2009.
- CEMFI (Madrid), July 2009.
- USC, FBE, April 2009.
- USC, Department of Mathematics, October 2008.
- CEMFI (Madrid), July 2007.
- University of Minnesota, Finance Department, January 2007.
- CEMFI (Madrid), July 2006.
- CEMFI (Madrid), July 2005.
- University of Pennsylvania, Economics, March 2005.
- USC, FBE, March 2005.
- CEMFI (Madrid), July 2004.
- University of British Columbia, Finance Department, April 2004.
- University of Colorado at Boulder, Finance Department, March 2004.
- Hebrew University, Finance Department, March 2004.
- Tel Aviv University, Finance Department, March 2004.
- University of Arizona, Finance Department, November 2003.
- CEMFI (Madrid), July 2003.
- HEC (Montreal), Finance Department, March 2003.
- UC Irvine, Finance Department, November 2002.

- CEMFI (Madrid), July 2002.
- London Business School, Finance Department, June 2002.
- McGill, Finance Department, June 2002.
- McGill, Finance Department, March 2002.
- NYU, Stern School of Business, March 2002.
- ASU, College of Business, September 2001.
- CEMFI (Madrid), July 2001.
- California Institute of Technology, May 2001.
- Copenhagen Business School, April 2001.
- BI Norwegian Business School, Oslo, Norway, April 2001.
- U of Pennsylvania (Wharton School), April 2001.
- Princeton, Bendheim Center in Finance, April 2001.
- CEMFI (Madrid), July 2000.
- Carlos III (Madrid), May 2000.
- Pacific Investment Management Company, May 2000.
- UCLA (Anderson School), March 2000.
- Cornell, March 2000.
- Carnegie-Mellon (GSIA), March 2000.
- USC, FBE, March 2000.
- INSEAD, February 2000.
- CEMFI (Madrid), July 1999.
- USC, Mathematics Department, April 1999.
- USC, FBE, February 1998.
- Mc Gill University, January 1998. Boston University, January 1998.
- University of Toronto, January 1998.
- Banco de México, September 1997.
- ITAM, Mexico City, August 1997.

- CEMFI (Madrid), July 1997.
- Washington University-Saint Louis (Olin School), November 1996.
- Banco de España, June 1996.
- New York Federal Reserve, March 1996.
- New York Federal Reserve, July 1995.
- El Colegio de México, May 1995.
- ITAM, Mexico City, September 1993.
- University of California at Berkeley, July 1993.
- University of California at Berkeley, September 1992.
- Universidad Carlos III, Madrid, June 1992.
- Universitat Pompeu Fabra, Barcelona, June 1992.
- Washington University-Saint Louis (Olin School), February 1991.
- U of Pennsylvania (Wharton School), February 1991.
- INSEAD, February 1991.
- Dartmouth College, January 1991.
- U of Texas at Austin, January 1991.
- Columbia University, December 1990.

Editorial Boards

A) Editor:

Quarterly Journal of Finance (founding editor)	February 2010 –
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B) Associate Editor:

Annals of Finance	April 2004 –
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Journal of Economic Dynamics and Control	January 2005 – December 2013
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Mathematical Finance	February 2006 –
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Mathematics and Financial Economics	June 2006 –
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Referee

American Economic Review, Annals of Finance, Econometrica, Economic Theory, European Economic Review, European Journal of Operations Research, Finance and Stochastics, Financial Review, International Economic Review, International Journal of Finance and Economics, International Journal of Theoretical and Applied Finance, Investigaciones Económicas, Journal of Economic Dynamics and Control, Journal of Economic Theory, Journal of the European Economic Association, Journal of Finance, Journal of Financial Economics, Journal of Financial and Quantitative Analysis, Journal of International Economics, Journal of International Money and Finance, Journal of Mathematical Economics, Journal of Monetary Economics, Journal of Political Economy, Mathematical Finance, Mathematical Methods of Operations Research, Management Science, Quantitative Finance, Review of Derivatives Research, Review of Economic Studies, Review of Finance, Review of Financial Studies, SIAM Journal of Financial Mathematics, Spanish Economic Review.

Courses Taught

- Continuous Time Models in Finance (PhD Seminar).
- Introduction to Behavioral Finance (Undergraduate).
- Introduction to Finance (MBA).
- Investments (MBA, Undergraduate).
- Microeconomics (M.A., Undergraduate).
- Options and Futures (MBA, Undergraduate).
- Theoretical Asset Pricing (PhD Seminar).

Teaching Ratings

- Fall 2016: Theoretical Asset Pricing (PhD) (co-taught), 5/5.
- Fall 2015: Theoretical Asset Pricing (PhD) (co-taught), 4.2/5.
- Fall 2014: Theoretical Asset Pricing (PhD) (co-taught), 4/5.
- Fall 2013: Theoretical Asset Pricing (PhD) (co-taught), 4.33/5.
- Fall 2012: Theoretical Asset Pricing (PhD), 4.5/5.
- Spring 2012: Introduction to Behavioral Finance (Undergraduate), 4.5/5.

- Fall 2011: Theoretical Asset Pricing (PhD), 5/5.
- Fall 2010: Theoretical Asset Pricing (PhD), 4.7/5.
- Fall 2009: Theoretical Asset Pricing (PhD), 4.67/5.
- Fall 2008: Theoretical Asset Pricing (PhD), 5.00/5.
- Fall 2007: Theoretical Asset Pricing (PhD), 5.00/5.
- Fall 2006: Options and Futures (MBA), 4.12/5; Theoretical Asset Pricing (PhD), 4.86/5.
- Fall 2005: Options and Futures (MBA), 4.03/5; Theoretical Asset Pricing (PhD), 4.85/5.
- Fall 2004: Options and Futures (Undergraduate), 4.67/5; Options and Futures (MBA), 4.70/5.
- Fall 2003: Options and Futures (Undergraduate), 4.32/5; Options and Futures (MBA), 4.63/5.
- Fall 2002: Options and Futures (Undergraduate), 4.53/5; Options and Futures (MBA), 4.70/5.
- Fall 2001: Options and Futures (Undergraduate), 4.70/5; Options and Futures (MBA), 4.45/5.
- Fall 2000: Options and Futures (Undergraduate), 4.60/5; Options and Futures (MBA), 4.30/5.
- Fall 1999: Investments (Undergraduate), 3.57/5; Investments (MBA), 4.06/5.
- Fall 1998: Investments (Undergraduate), 4.26/5; Investments (MBA), 4.11/5.
- Consistently among the top instructors at ITAM (documented by the congratulations letter sent by the President to a very small number of instructors at the end of every semester).
- Three semesters out of four (courses taught in Fall 1992, Spring 1993 and Spring 1994 at UC-Berkeley) in the “Haas School Faculty 6.0 Club” that includes the top rated instructors at Haas School of Business.