de Finetti Risk Seminars

Milano Lectures on the Mathematical Theory of Economics and Finance

Organized by

Department of Decision Sciences – Bocconi University, Milano

and

F. Enriques Department of Mathematics – Milano University

Scientific Committee:

Prof. Marco Frittelli (Univ. degli Studi di Milano)
Prof. Fabio Maccheroni (Univ. Bocconi)
Prof. Massimo Marinacci (Univ. Bocconi)
Dott. Simone Cerreia-Vioglio (Univ. Bocconi)
Dott. Marco Maggis (Univ. degli Studi di Milano)
Dott. Emanuela Rosazza Gianin (Univ. Milano-Bicocca)

Calendar 2011-2012:

October 19, 2011 (*)
November 16, 2011 (჻)
December 14, 2011 (*)
January 18, 2012 (჻)
February 15, 2012 (*)
March 14, 2012 (჻)
April 18, 2012 (*)
May 16, 2012 (჻)

(*) Conference hall Chisini, Dept. of Mathematics, Milano University, Via C. Saldini 50, Milano.
(჻) Room 3-E4-SR3, Dept. of Decision Sciences, Bocc oni University, Via Rontgen 1, 3rd floor, Milano.

Time: 6 pm

Opening seminar:

October 19, 2011
Time:18.00
Dept. of Mathematics, Milano University

Financial Risk and Knightian Uncertainty

Prof. Hans Föllmer

Humboldt University of Berlin, Germany

Abstract

Over the last decades advanced probabilistic methods have played an increasing role in Finance, both in Academia and in the financial industry.
In view of the recent financial crisis it has been asked to which extent the use of such methods has been part of the problem.
We will then focus on the foundational issue of model uncertainty, also called "Knightian uncertainty", which is raised in "The Turner Review: A regulatory response to the global banking crisis" of the British Financial Services Authority (FSA).
This will be illustrated by the interplay between "real world probability measures" and "martingale measures" in the standard framework of Mathematical Finance, and by the problem of quantifying financial risk. In particular we discuss recent advances in the theory of convex risk measures, where model uncertainty is taken into account explicitely.

Location and details:

Conference hall Chisini, Dept. of Mathematics, Milano University, Via C. Saldini 50, Milano.
The seminar will take place on October 19, 2011, at 18.00.

A refreshment will be offered at 17.30.

A detailed program of the next "de Finetti Risk Seminars" will follow soon.