

TARUN GUPTA

<http://home.uchicago.edu/~tarun>

tarun@uchicago.edu

Contact Address: 4 Park Avenue, Apt 9D, New York, NY 10016, U.S.A.
Phone: +1 212 538 1641 (office)
+1 773 931 6305 (home)

EDUCATION

Ph.D., M.A in Economics, University of Chicago, 2004-2010 (expected).

Thesis Title: *Life-Cycle Effects of Internal Habit Formation on Portfolio Choice and Consumption.*

B.S. with honors in Economics and Mathematics, University of Minnesota, Twin Cities, 2002-2004

B.A.(honours) Mathematics, St Stephen's College, Delhi University, 1999-2002

TEACHING AND RESEARCH FIELDS

Primary field: Empirical and Theoretical Asset Pricing

Secondary field(s): Macroeconomics, Time Series Econometrics, Numerical Analysis.

RESEARCH EXPERIENCE AND EMPLOYMENT

2009-present Quantitative Associate, Equity Derivatives Group, Credit Suisse Group, New York, NY

2007 Summer Research Associate, Hedge Funds Group (Advanced Research Center),
State Street Global Advisors, Boston, MA

2006 Summer Trading Assistant, Equate Trading Group, Chicago, IL

2005-07 Research Assistant for Prof. Joshua Rauh, Finance, Booth School of Business, University of
Chicago

TEACHING EXPERIENCE

2008 Teaching Assistant for Prof. Francesco Trebbi, Booth School of Business, University of
Chicago, Macroeconomics (MBA).

2007 Teaching Assistant for Prof. Peter Bondarenko, University of Chicago, Macroeconomics
(Undergraduate). Received strong reviews (4.15/5).

2006 Teaching Assistant for Prof. Jeremy Fox, University of Chicago, Econometrics
(Undergraduate).

SCHOLARSHIPS, HONORS AND AWARDS

2004-08 Unendowed fellowship, University of Chicago

2008-09 Esther and T.W. Schultz Endowment Fund Dissertation Fellowship, University of Chicago

2002-03 Gorence scholarship in Economics, University of Minnesota

2003-04 Waller scholarship for overall academic excellence, University of Minnesota

2004 Awarded grant for thesis 'Trade in Capital Goods between Developed and Developing
Countries'

RESEARCH PAPERS

Life-Cycle Effects of Internal Habit Formation on Portfolio Choice and Consumption (Job Market Paper)

The presence of an internal habit, interpreted as a minimum acceptable lifestyle, has important consequences for portfolio choice of agents. The risk aversion of agents varies endogenously through the life cycle depending on evolution of the agent's habit. For the case where total wealth is capitalized, I obtain analytical solutions for the value and policy functions in a continuous time finite horizon model. There is an interesting life cycle effect which I highlight. Younger agents need to sustain their habits for a longer horizon, thereby making them more risk averse and inducing them to optimally hold more conservative portfolios, as compared to older agents who have fewer outstanding periods, hence worry less about sustaining future habits and hold more aggressive portfolios. The model is applied to study portfolio decisions of retired households, in contrast to the standard model it is able to explain the data.

Effect of Tunneling on Asset Prices: Evidence from Indian Equity Markets (Work in progress, joint with Manuj Garg, Stanford)

REFERENCES

Prof. Fernando Alvarez
University of Chicago, Economics Department,
1126 East 59th St. Chicago, Illinois. 60637
Email: falvare@uchicago.edu

Prof. Lars Peter Hansen
University of Chicago, Economics Department,
1126 East 59th St. Chicago, Illinois. 60637
Email: lhansen@uchicago.edu

Prof. Harald Uhlig
University of Chicago, Economics Department,
1126 East 59th St. Chicago, Illinois. 60637
Email: huhlig@uchicago.edu