

## SANKARSHAN ACHARYA

**ADDRESS:** 17636 West Neuberry Ridge Drive  
Lockport, Illinois 60441  
Phone: 815 524 5196 (Home Office)  
Email: [sacharya@pro-prosperity.com](mailto:sacharya@pro-prosperity.com) & [sacharya@uic.edu](mailto:sacharya@uic.edu)

### EDUCATION

- Ph.D. (Finance) Northwestern University, 1986
- M.Tech.(Industrial Management) Indian Institute of Technology, 1977
- B.Sc.(Agricultural Engineering) Orissa U of Agriculture and Technology, 1975

### ACADEMIC HONORS AND AWARDS

- Loring Farwell Award for "excellent performance in Ph.D. (Finance) program," Northwestern U, 1986.
- Kellogg Management School Fellowships and Graduate School Scholarships, Northwestern U, 1983-86.
- Merit Scholarships, Indian Institute of Technology, Kharagpur, 1975-77.
- Gold Medal for best graduate in Agricultural Engineering, Orissa U of Agri. and Technology, 1975.
- Merit Scholarships, 1970-75; Skill Contest First Prize, 1975, Indian Council of Agricultural Research.

### PROFESSIONAL EXPERIENCE

- **Associate Professor of Finance with Tenure**, University of Illinois at Chicago, August 1995 - on.  
Research and Teaching in Options and Futures, Fixed Income Securities, Credit Risk, and Banking
- **Visiting Associate Professor of Finance**, University of Illinois at Urbana-Champaign, 1998-99.  
Research and Teaching in Options and Futures, Fixed Income Security Derivatives, Credit Risks and Banking.
- **Visiting Associate Professor of Finance**, Hong Kong University of Science and Technology, December 2002 – August 2003 (on sabbatical leave from the University of Illinois at Chicago).  
Research and Teaching in Options and Futures, Fixed Income Security Derivatives, Credit Risks and Banking, Valuation, Asset Pricing and Exchange Rates.
- **Financial Economist**, Federal Reserve Board, Washington, D.C., May 1990 - August 1995.  
Bank Capital and Deposit Insurance Premium Policy and Financial Economics Research. Led projects on bank credit ratings and American competitiveness.
- **Assistant Professor of Finance**, New York University, 1986-90.  
Research and Teaching Corporate Finance, asset valuation and banking.
- **Corporate Manager**, Salgaocar Group, Goa, 1981-83.  
Proposed and helped implement major business ventures which have become successful.
- **Adjunct Professor**, Bombay University, 1981-83.  
Taught: Systems Management.
- **Lecturer**, National Institute for Industrial Engineering, 1977-79.  
Taught: Managerial Economics.
- **Course Leader**, Project Implementation, Monitoring and Evaluation Program at the National Institute for Industrial Engineering, 1977-79.  
Taught: Indian Government Officers
- **Management Consultant**, Hindustan Steel-works Construction, Calcutta, 1979-81.  
Developed Operations Management Norms

- **Officer-in-Charge of Planning**, Tea Research Association, Calcutta, 1977-79.  
Developed a new budget and financial planning cell.

## PUBLICATIONS:

- “Constitutional System of Money and Finance,” *Journal of Financial Transformation*, Volume 4, No. 1, 2013
- “No-Subsidy Mantra of Governance to Attain the Most Efficiently Competitive Economy,” *Journal of Governance and Regulation*, volume 1, issue 3, 2012
- “A Unifying Philosophy of Governance,” *Journal of Governance and Regulation*, Volume 1, issue 3, 2012
- “Unconstitutionality and Economic Inefficiency of Short Selling and Privileged Private Market Clearing,” *Journal of Investment Management and Financial Innovations*, Volume 9, Issue 2, 2012.
- “Safe Banking to Avoid Moral Hazard,” *Journal of Risk Management in Financial Institutions*, Volume 1, No.3, 2008.
- “Value of Latent Risk and Decision to Hedge,” *International Journal of Research on Banks and Bank Systems*, December 2007.
- “Optimal Exchange Rate Beyond Purchase Power Parity,” *Journal of American Academy of Business*, Volume 13, No. 1, March 2008.
- “Prosperity: Optimal Governance, Banking, Capital Markets, Global Trading, and Exchange Rates,” *Citizens Publishing*, October 2005.
- “Safe Banking,” *Journal of American Academy of Business*, Volume 3, No. 1&2, September 2003.
- “Bond Rating Enhancement Norms Using Corporate Bond Default Data: A New Methodology,” *Financial Analysts Journal*, August 2000.
- “Can A Riskless Asset Be Presumed To Exist? A Latent Interest Rate Theory and Evidence,” with DilipMadan, *Chicago Board of Trade Research Symposium Proceedings*, Fall 1997.
- “Charter Value, Minimum Bank Capital Requirement and Deposit Insurance Pricing in Equilibrium,” *Journal of Banking and Finance* 20, 1996.
- “Value of Latent Information: Alternative Event Study Methods,” *Journal of Finance*, March 1993.
- “Debt Buybacks Signal Sovereign Countries' Creditworthiness: Theory and Tests,” (with IshacDiwan), *International Economic Review*, November 1993.
- “Maximizing the Market Value of a Firm to Choose Dynamic Policies for Managerial Hiring, Compensation, Firing and Tenuring,” *International Economic Review*, May 1992.
- “Optimal Bank Reorganization Policies and Pricing of Federal Deposit Insurance” (with Jean-Francois Dreyfus). *Journal of Finance*, December 1989.
- “A Generalized Econometric Model and Tests of a Signaling Hypothesis with two Discrete Signals,” *Journal of Finance*, June 1988.
- “Monitoring Financial Institutions” (with Greg Udell). *New Palgrave Dictionary of Money and Finance*, 1992.
- “Shortage Cost Parameter for an Inventory Model.” *Industrial Engineering Journal*, 1983.
- “Optimal Fleet Size-A Case of Compound Waiting Lines in Transportation and Transhipping.” *Industrial Engineering Journal*, October 1983.

## WORKING PAPERS

- “Coalition of Borrowers, Government-Regulated Lender, Safe Central Bank and Interest Rate in Equilibrium,” August 2013
- “Coalition of Patients and Government Sponsored Private Health Insurance Company in Equilibrium,” September 2013.
- “Arbitrage Pricing of Total Risk of Assets and First-best Governance of Financial Markets,” November 2011
- “First-best Management Academy, Proposal for Consideration by Global Leaders” March 2012
- “Cause of the 2008 Financial Catastrophe,” April 2011
- “Optimal Holding Company and Capital Structure under Constitutional Governance,” March 2010.
- “Constitutional Rules of Governance,” March 2010.
- “An Economic Theory of Constitutional Governance,” November 2010, available on the internet at <http://pro-prosperity.com/Research/MoralHazardLiberty.pdf>.
- “Unconstitutionality and Sub-optimality of Short-Selling,” March 2010.
- “Utility of Wealth, Policy and Governance,” available at <http://www.pro-prosperity.com/Research/UtilityWelfareDemocracy.pdf>.
- “Optimal CEO Compensation in Best National and Stockholder Interest,” available at <http://www.pro-prosperity.com/Research/OptimalCEOCompensation.pdf>.
- “Efficient Resolution of Moral Hazard Due to Arbitrage: Risk Premium, Volatility and Leverage,” available at <http://www.pro-prosperity.com/Research/EfficientResolution.pdf>.
- “Optimal Holding Company Organization and Capital Structure” available at <http://www.pro-prosperity.com/Research/OptimalHoldingCompanyOrganizationCapitalStructure.pdf>
- “Lending Taxpayer Money to Hedge Funds is Suboptimal for Taxpayers,” available at <http://www.pro-prosperity.com/Research/Sub-optimality%20of%20Lending%20Taxpayer%20Funds%20to%20Hedge%20Funds.pdf>
- “Efficient Resolution of Moral Hazard Under No Arbitrage: Risk Premium, Volatility and Leverage”
- “The Efficacy of Bank Monitoring: Single Versus Dual Monitors.”
- “Optimal Bank Regulation: Benchmarks Based on Nonbank Data.”
- “Nonbank Investment Policy as a Benchmark for Bank Lending.”
- “Optimality of Senior-Junior Debt Structure and Holding Companies: Fire Walls and Bank Regulatory Policy.”
- “Probability of Bankruptcy: A New Approach for Estimation.”

## PRESENTATIONS

- “Optimal Holding Company Organization and Capital Structure,” *MIT-China Conference*, June 2009
- “Optimal Exchange Rate Beyond Purchase Power Parity,” *Hong Kong Monetary Authority*, August 2003.
- “Pricing By Arbitrage When All Assets Are Risky? A Latent Interest Rate Theory and Evidence,” with Dilip Madan. *Derivative Securities Conference*, May 1997.
- “Can A Riskless Asset Be Presumed To Exist? A Latent Interest Rate Theory and Evidence,” with Dilip Madan. *Chicago Board of Trade*, May 1997.
- “Credit Rating Enhancement Norms and Ratings-Based Bank Capital and Deposit Insurance Premium in

- Equilibrium,” (*Review of Financial Studies/Western Finance Association Symposium*, June 1996.
- “Asset Pricing In An Incomplete Market With A Locally Risky Discount Factor,” with Dilip Madan. *Western Finance Association*, June 1995.
- “Efficient Resolution of Moral Hazard Under No Arbitrage: Risk Premium, Volatility and Leverage” *Western Finance Association*. June 1993.
- “Optimal Bank Reorganization Policies and Pricing of Federal Deposit Insurance.” (with Jean-Francois Dreyfus). *American Finance Association*, December 1988 and *European Finance Association*, September 1988.
- “Insiders' Decision of Corporate Events: A Simple Measure of Stock Price Effect, Conditional on Outsiders' Prior Information.” *American Finance Association*, December 1988; *Western Finance Association*, June 1989; and *The Econometric Society Meeting*, June 1989.
- “Regulatory Policies when Banks Control Asset Quality, Unobserved by Regulators,” *World Congress of the Econometric Society*, August 1990.
- “Value of Double Leverage, Bank Holding Companies and Capital Regulation,” *Federal Reserve Systems Conference*, Federal Reserve Bank, San Francisco, November 1991.
- “Efficient Resolution of Moral Hazard Via Capital Market: Monitoring Banks,” *Western Finance Association*, 1992.
- “Early Calls of Convertible Debt: Theory and Evidence.” (with Puneet Handa). *Western Finance Association*, June 1988.

## DOCTORAL ADVISORY BOARD

Ian Domowitz, Department of Economics, Northwestern University.

Shelby Haberman, Departments of Mathematics, Managerial Economics and Decision Sciences, and Industrial Engineering, Northwestern University.

Milton Harris, currently at the Department of Finance, the University of Chicago.

Robert A. Korajczyk, Department of Finance, Northwestern University.

## REFEREE ACTIVITY

Refereed for *Journal of Finance*, *Review of Financial Studies*, *Journal of Financial Intermediation*, *Financial Management*, *Journal of Money, Credit and Banking*, *Journal of Banking and Finance* and *International Economic Review*.