April 19th, 2021
Zoom Meeting
2:00 P.M. - 3:00 P.M.

Prof. Camilo Hernández
(Columbia University)

Moral hazard for time-inconsistent agents and BSVIEs

Abstract: We address the problem of Moral Hazard in continuous time between a Principal and an Agent that has time-inconsistent preferences. Building upon our previous results on non-Markovian time-inconsistent control for sophisticated agents, we are able to reduce the problem of the principal to a novel class of control problems which exposes the hardships brought upon the problem by the agent's preferences. The structure of this problem comes from the representation of the problem of the Agent via a so-called extended Backward Stochastic Volterra Integral equation. We will present some results on the characterization of the solution to problem for different specifications of preferences for both the Principal and the Agent. This talk covers joint work with Dylan Possamaï (ETH) and Chao Zhou (NUS).

Zoom link:
Topic: Math Finance Colloquium
Time: Apr 19, 2021 02:00 PM Pacific Time (US and Canada)

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