Bocconi

Università Commerciale Luigi Bocconi

Department of Decision Sciences

De Finetti Risk Seminar

Radner Equilibrium under Volatility Uncertainty

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6:00pm Università degli Studi di Milano, Via Saldini 50

Abstract

We study existence of equilibrium in financial under conditions of volatility uncertainty. Using the framework of G-expectations, suitable representation results for utility function from the recent literature on variational preferences and dynamic risk measures, and latest results in uncertainty theory, we are able to establish existence and uniqueness results. We also study economic consequences and comparative statics.

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