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Education

New York University Stern School of Business, New York, NY
Ph.D. Finance, 2013 - 2019 (*Exptected*)

Indian Institute of Management, Bangalore, India
M.B.A., Finance and Economics, 2008 - 2010

Jadavpur University, India
B.S Electronics and Communications Engineering (First Class Honors) 2002 - 2006

References

Prof. Thomas Philippon (Co-Chair)
Professor of Finance
NYU Stern School of Business
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Prof. Rangarajan K. Sundaram (Co-Chair)
Richard R. West Dean
Edward I. Altman Professor of Credit and Debt
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Prof. Viral V. Acharya
Reserve Bank of India
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Prof. Cecilia Parlatore
Assistant Professor of Finance
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Research Interests

Macro-Finance, Financial Intermediation, Systemic Risk, Household Finance

Job Market Paper

Monetary Policy Transmission in Developing Economies with an Informal Sector

Abstract: Developing countries typically feature a large informal sector which operates on a cash based economy. This paper evaluates the role played by a cash-dependent informal sector in the transmission

mechanism of money supply shocks to consumption. I develop a heterogeneous monetary model where households can hold two assets - money and deposits subject to transaction costs, and the production side features both formal and informal firms. The key insight of the paper is that informal firms, though their exclusive reliance on cash, create another channel for monetary shock transmission. This informal channel of monetary policy can far outweigh the aggregate effects in an economy featuring only formal firms. When parameterized to match the 2016 Indian Demonetization episode, the model generates an informal multiplier of 2-3. This implies that in economies with large informal sectors, traditional monetary transmission models with cashless limit assumptions can significantly underestimate the real effects of money supply shocks.

Publications

1. Borrower Distress and Debt Relief: Evidence from a Natural Experiment”
(with Prasanna Tantri and Krishnamurthy Subramanian) Forthcoming, Journal of Law and Economics
2. When are Investors Rational,
(with Sankar De) Journal of Behavioral Finance, 2018

Working Papers

1. To Mark or not to Mark- That is the Question (NYU Stern Working Paper 2018)
(with Viral V. Acharya and Rangarajan K. Sundaram)
Abstract : The financial crisis of 2008 has raised a lot of questions about the efficacy of mark to market (MTM) accounting. However all the analysis about MTM focus on the ex-post consequences of MTM accounting. In this paper, we show that from an ex-ante perspective, MTM accounting is superior to Fair Value Accounting because it increases the information set of the investor and leads to an expansion of funding set ex-ante. When we move to the case with multiple banks with propagation of shocks over the banking system, we show that the relationship is no longer trivial and characterize the whole equilibrium where MTM is superior to Fair value accounting when risks of propagation are smaller than a certain level. For higher propagation risks, Fair value accounting is dominant ex-ante. We investigate various policy interventions like redemption gates and government bailouts.
2. Short Term Debt and Systemic Risk (2017)
Winner, D. Graifman Memorial Award for the Best 2nd Year Paper, 2015
Abstract : I study the liability structure decisions(short-term debt choices) of banks in a partial equilibrium setting with multiple banks, depositors and external investors. The externalities appear through secondary market prices (positive) and overall systemic risk (negative). External investors are uninformed about the banks’ intermediate cash flows and sets prices for assets using Bayesian updation of priors. In such a setting, the positive pecuniary externalities create a strong motive for strategic complementarity where banks raise their short-term debts together increasing the systemic risk. The Nash equilibrium of the multiple bank setting is characterized as a threshold equilibrium where under some threshold level of systemic risk, bank debt choices are strategic complements (aggregate externality is positive) while they become strategic substitutes above the threshold level (one bank increasing short term debt leads the other bank to reduce). The private optimum is inefficient relative to the first best because banks do not internalize the probability of other bank’s failure (or the deadweight costs associated with bankruptcies) when it increases its own debt. The symmetric equilibrium in the multiple bank case has a higher short term debt level than in a single representative bank setting. Ex-post interventions tend to be suboptimal and time-inconsistent, and in fact can accentuate collective moral hazard and systemic risk.

Work in Progress

1. Spillover Effects of Recourse Laws: Effect on Household Risk Management

Awards and Honors

David Wood Memorial Fellowship (2017-2018)
AFA Travel Grant, 2017
Teaching Commendation - Corporate Finance (Summer 2017)
D. Graifman Memorial Award for the Best 2nd Year Paper in Finance at Stern, 2015
Distinction - Macro Field Qualifying Exam
NYU Stern Doctoral Fellowship, 2013-2017

Conference Presentations

2017: NYU-IIMC Conference, Stern Finance Doctoral Conference
2016 : AFE(AEA)
2015 : NYU Stern Summer Paper Seminar.
2014 : FIRS

Research Experience

RESEARCH ASSISTANCE

Prof. Viral Acharya & Prof. Raghu Sundaram 2013 - 2018
Prof. Cecilia Parlatore & Prof. Eduardo Davila 2015 - 2016

RESEARCHER

Center for Analytical Finance, Indian School of Business 2011-2013
Research Assistant to Prof. Sankar De for the paper *Financing Firms in India* by Franklin Allen, Jun Qian, Meijun Qian, Sankar De and Rajesh Chakrabarty 2013, Journal of Financial Intermediation

Teaching Experience

Corporate Finance, Undergraduate Instructor(Rating 6.5/7), Summer 2016
Derivatives and Risk Management, MBA, Prof. Raghu Sundaram, Spring 2014, 2015
Foundations of Finance, MBA, Prof. Orly Sade, Summer 2014, 2015, 2016
Foundations of Finance, U.G., Prof. Cecilia Parlatore, Fall 2015, 2016
New Venture Financing, MBA, Prof. Alexander Ljungqvist, Spring 2015

Languages and Databases

Programming Languages/Softwares: STATA, SAS, R, MATLAB, SPSS, C/C++, VB, L^AT_EX
Databases: NSE,BSE Proprietary Trading Databases, Prowess(Indian Firm Level), Capital IQ, CRSP, Compustat