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Current Position (2019-)

Research Director at Center for Advanced Financial Research and Learning (Promoted by RBI)

Education

Ph.D., Finance, University of Minnesota, 2019 (expected)

M.Phil, Development Economics, Indira Gandhi Institute of Development Research, Mumbai, 2013

B.Tech. Mechanical Engineering, Indian Institute of Technology Kanpur, 2008

Research Interests

Financial Intermediation, Corporate Finance, Contract Theory, Financial Crisis

Working Papers

“Why Risk Managers?”

Banks rely on risk managers to prevent their employees from making high risk low value investments. Why can't the CEOs directly incentivize their employees to choose the most profitable investment? I show that having a separate risk manager is more profitable for banks and is also socially efficient. This is because there is conflict between providing incentive to choose the most profitable investment and providing incentives to exert effort on those investments. Hence, if the tasks are split between a risk manager who approves the investments and a loan officer (or trader) who exerts effort, then both optimal investment choice and optimal effort can be achieved. I further examine some reasons for risk management failure wherein a CEO may ignore the risk manager when the latter is risk averse and suggests safe investments. As is usually the case before a financial crisis, my model predicts that the CEO is more likely to ignore the risk manager when the risky investments are yielding higher profits.

“Credit Insurance, Bailout and Systemic Risk”

This paper studies the impact of expectation of bailout of a credit insurance firm on the investment strategies of the counterparty banks. If the failure of credit insurance firm may result in the bankruptcy of its counterparty banks, then the regulator will be forced to bail it out. This imperfectly targeted time inconsistent policy incentivizes the banks to make correlated investments ex ante. All banks want their assets to fail exactly at the time when the bailout is occurring to indirectly benefit from the bailout of the insurance firm and hence they make correlated investments. I build a model in which correlated investment by banks, under priced insurance contracts and a systemically important insurance firm arise endogenously and show that while credit insurance helps in risk sharing during good times, it can also create systemic risk. I also show that putting a limit on size of insurance firm can mitigate this problem.

Conference Presentations

2019—FTG Summer School, Risk Management Conference NUS, FDBCF IIM Ahmedabad

2018—American Finance Association (poster session), FIRS Ph.D. Session, Financial Management Association

2017—Southern Finance Association, Spanish Finance Association (AEFIN), University of Warwick (poster Session)

Awards

FIRS Doctoral Student Travel Grant, 2018

AFA Doctoral Student Travel Grant, American Finance Association, 2018

Graduate Student Fellowship, Carlson School of Management, 2013-present

Summer Fellowship, Carlson School of Management, 2014-2017

B.tech Project: Awarded the second prize, 2008

Kishore Vaigyanic Protsahana Yojana (KVPY) Scholarship given to 50 students all over India by the Department of Science and Technology, Government of India, 2001

National Talent Search Scholarship, by National Council of Educational Research and Training, 2001

Teaching Experience

Primary Instructor, University of Minnesota, 2015-16

Finance Fundamentals, 4 credits, 60 students per section

Teaching Assistant, University of Minnesota, 2013-2018

Corporate Finance, Financial Management, Financial Markets & Interest Rates, Global Economy, International Finance, Introduction to Derivatives and Risk Management, Portfolio Management & Performance Analysis, Mergers & Acquisitions, World Economy

Professional Experience

Diamond Management and Technology Consultants as Associate, Oct 2010 - Jul 2011

BASIX Academy for Building Lifelong Employability Ltd. (B-ABLE) as Project Executive, Jun 2009 - Apr 2010

ZS Associates India Private Ltd. as General Analytics Associate, Jan 2009 - May 2009

Lehman Brothers Services India Pvt. Ltd. as Analyst, Jul 2008 - Oct 2008

References

Available on request