

CURRICULUM VITAE

• **Personal Details**

Name: Yaron Lahav

Date and place of birth: July 2, 1972, Israel

Address and telephone number at work:

Ben-Gurion University of the Negev, Guilford Glazer Faculty
of Business and Management, Department of Business
Administration, Room 116, Building 15, P.O. Box 653, Beer-
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Kibboutz Gevim 30, D.N. Hof Ashqelon, 7916500, Israel,
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• **Education**

B.Sc.Agr. 1996-1999 – The Hebrew University of Jerusalem – Department of
Agricultural Economics and Management

Ph.D. 2003-2007 – Emory University – Department of Economics

Name of advisor: Charles Noussair

Title of thesis: *Beliefs and Decision Making in Asset Markets: Three
Essays in Experimental Economics*

• **Employment History**

(a) Full time positions

2015-Present Senior Lecturer, Department of Business Administration, Ben-Gurion
University of the Negev

2010-2015 Lecturer, Department of Business Administration, Ben-Gurion
University of the Negev

2009-2010 Lecturer, Department of Economics and Business Administration,
Ariel University

2007-2009 Senior Consultant, Deloitte Tax LLP

2000-2003 Financial Manager, Israeli Aerospace Industries LTD

1998-2000 Economist, Bio Oz – Advance Bio-Technology in Agriculture

(b) Visiting and other temporary appointments

2011-2013 – Visiting Faculty – Economics department, University of Michigan
(summer semesters)

2009 – Visiting Faculty – Economics department, Ruppin College

2008 – Adjunct Professor – Economics department, American University

• **Professional Activities**

(a) Positions in academic administration

2019-Present – Head of the teaching committee – The Mandel Program for Social Leadership, Ben-Gurion University of the Negev

2016-2019 – Head of the teaching committee – Department of business Administration, Ben-Gurion University of the Negev

2011-2016 – Member of the teaching committee – Department of business Administration, Ben-Gurion University of the Negev

2014-2018 – Academic manager, the program for counseling on household financial management, The University Center for External Studies, Ben-Gurion University of the Negev.

2014-2016 – Team leader, John Molson Case Study Competition, Concordia University, Montreal, Canada.

2014 – Team leader, Sofaer Case Competition, Tel-Aviv University.

(b) Professional functions outside universities/institutions

2018-present – elected member of Sha'ar Hanegev regional council

2018-present – vice chairman of the Board of Directors, the Corporation for the Development of Sha'ar Hanegev, Ltd.

2018-present – vice chairman, the committee for economic development, Sha'ar Hanegev regional council.

2018-present – head of auctions committee, Sha'ar Hanegev regional council.

2014-2017 – the Ministry of Economy and Industry, professional examiner

2015 – Region manager, Pa'amonim organization.

(c) Significant professional consulting

2013-2014 – Deloitte Brightman Almagor Zohar & Co. (Tel-Aviv, Israel), senior advisor.

2009 – Urban Institute (Washington, DC, USA) – Consultant

(e) Ad-hoc reviewer for journals

- Accounting, Economics and Law – A convivium
- American Economic Review
- Bulletin of Economic Research
- Economic Journal
- European Economics Review
- Experimental Economics
- Financial Markets and Portfolio Management
- Journal of Asset Management
- Journal of Behavioral and Experimental Economics
- Journal of Behavioral and Experimental Finance
- Journal of Behavioral Finance
- Journal of Economic Behavior and Organization
- Journal of Economic Dynamics and Control
- Journal of Economic Psychology
- Management Science

(f) Membership in professional/scientific societies

2006-Present – Economics Science Association

2012-Present – Decision Making and Economic Psychology

2014-Present – Society for Experimental Finance

2012-2013 – International Atlantic Economic Society

2012-2013 – American Accounting Association

2010-2011 – Southern Economic Association

• **Educational activities**

(a) Courses taught

- *Principles of Microeconomics*: undergraduate level, Emory University
- *Public Issues in Financial Economics*: graduate level, American University
- *Introductory Finance*: undergraduate level, University of Michigan
- *Financial Economics*: undergraduate level, University of Michigan
- *Principles of Macroeconomics*: undergraduate level, Ruppig College

- *Introductory Finance*: undergraduate level, Ruppin College
- *Price Theory*: undergraduate level, Ariel University Center
- *Introductory Microeconomics*: undergraduate level, Ariel University Center
- *Seminar in Behavioral Finance*: graduate level, Ben-Gurion University of the Negev
- *Seminar in Behavioral Finance*: undergraduate level, Ben-Gurion University of the Negev
- *Seminar in Event Study Analysis*: graduate level, Ben-Gurion University of the Negev
- *Public Finance*: undergraduate level, Ben-Gurion University of the Negev
- *Personal Finance*: undergraduate level, Ben-Gurion University of the Negev
- *Financial Management*: graduate level, Ben-Gurion University of the Negev
- *Introductory Finance*: graduate level, Ben-Gurion University of the Negev

(b) Research students

- 2014 – Shauli Tsfani – MBA, Ben-Gurion University of the Negev (jointly with Zvika Afik) – *Day of the week, day of the month and U.S. holidays effects on stock markets return around the globe*
- 2013-2014 – Roman Aronchekov – MBA, Ben-Gurion University of the Negev – *Experimental research of the rockets and feathers phenomenon in gas markets*
- 2014-2015 – Lior Mey-Tal – MBA, Ben-Gurion University of the Negev – *Does group size matter? Comparing decisions of groups with different sizes in the beauty contest game*
- 2014-2015 – Adi Vormser – MBA, Ben-Gurion University of the Negev – *The effect of changes in accounting standards on Tel-Aviv Stock Exchange market.*
- 2014-2016 – Hofit Dafna – MBA, Ben-Gurion University of the Negev – *The empirical effectiveness of scoring rules*
- 2014-2015 – Liviu Stern – MBA, Ben-Gurion University of the Negev – *Experimental research of weighted scoring rules for non-discrete (continuous) forecasts*
- 2015-2016 – Roi Haim – MBA, Ben-Gurion University of the Negev – *Impact of work conflicts on the return on shares in companies which have been declared a work conflicts.*
- 2016 – 2018 Michael Goldshmidt – MBA, Ben-Gurion University of the Negev – *Inconsistencies between beliefs and actions in games.*

Behavioral Finance: A Novel Approach, Forthcoming, World Scientific Publishers,
London

(f) Refereed chapters in collective volumes, Conference proceedings,
Festschrifts, etc.

1. Haruvy^C, E., Lahav^S, Y., & Noussair^{PI}, C.N. (2007). Traders' Expectations in Asset Markets: Experimental Evidence. *American Economic Review*, 97(5): 1901-1920.
[citations: isi = 136, gs = 362; IF: 5.56; ABDC Rank: A*]
2. Lahav^{PI}, Y. (2009). Behavioral Pattern Learning Models for Decision Making in Games. *Journal of Pattern Recognition Research* 4(1), 133-151.
[citation: isi = 0, gs = 2; IF: NA; ABDC Rank: unranked]
3. Lahav^{PI}, Y. (2011). Price Patterns in Experimental Asset Markets with Long Horizons. *Journal of Behavioral Finance* 12(1), 20-28.
[citations: isi = 6, gs = 15; IF: 0.93; ABDC Rank: A]
4. Clausing^{PI}, K, & Lahav, Y. (2011). Corporate Tax Payments under Formulary Apportionment: Evidence from the Financial Reports of 50 Major Multinational Firms", *Journal of International Accounting, Auditing and Taxation* 20(2), 97-105.
[citation: isi = 0, gs = 19; IF: 1.25; ABDC Rank: B]
5. Avi-Yonah^{PI}, R. S., & Lahav^C, Y. (2012). The Effective Tax Rates of the Largest U.S. and EU Multinationals. *Tax Law Review* 65, 375-390.
[citations: isi = 0, gs = 58; IF: NA; ABDC Rank: A]
6. Benshalom^{PI}, I., & Lahav^C, Y. (2013). Will High Paying Jobs Go Abroad? Labour Shifting Responses to Formulary Allocation. *Australian Tax Forum* 28(4), 753-785.
[citations: isi = 0, gs = 1; IF: NA; ABDC Rank: A*]

7. Lahav^{PI}, Y., & Chernin^S, Y. (2014). The People Demand Social Justice – The Impact of Protests on Financial Markets. *Accounting, Economics and Law – A Convivium* 4(2), 99-121.
[citations: isi = 0, gs = 3, IF: NA; ABDC Rank: B]
8. Afik^{PI}, Z., Lahav^{PI}, Y., & Ochakovski^S, Z. (2014). There's No Smoke without Fire: Equity Returns Response to Indictment Filing. *International Journal of Economics and Finance* 6(7), 24-30.
[citations: isi = 0, gs = 1; IF: 0.50; ABDC Unranked]
9. Afik^{PI}, Z., & Lahav^{PI}, Y. (2015). Thinking Near and Far: Modeling Underreaction, Overreaction and the Formation of Traders' Beliefs in Asset Markets using Experimental Data. *Journal of Behavioral and Experimental Economics* 57, 73-80.
[citations: isi = 2, gs = 3; IF: 1.15; ABDC Rank: A]
10. Afik^{PI}, Z., & Lahav^{PI}, Y. (2015). A Better 'Autopilot' than Sell-in-May? 40 Years in the U.S. Market. *Journal of Asset Management* 16, 41-51.
[citations: isi = 0, gs = 4; IF: 0.38; ABDC Rank: B]
11. Azar^{PI}, O., Lahav^{PI}, Y., & Voslinsky^S, A. (2015). Beliefs and Social Behavior in a Multi-Period Ultimatum Game. *Frontiers in Behavioral Neuroscience* 9, Article 29, 1-11.
[citations: isi = 4, gs = 8; IF: 2.51; ABDC Rank: Unranked]
12. Lahav^{PI}, Y. (2015). Eliciting Beliefs in Beauty Contest Experiments. *Economics Letters* 137, 45-49.
[citations: isi = 2, gs = 5; IF: 1.75; ABCD Rank: A]
13. Afik^{PI}, Z., & Lahav^{PI}, Y. (2016). Risk Transfer Valuation in Advance Pricing Agreements between Multinational Enterprises and Tax Authorities. *Journal of Accounting, Auditing and Finance* 31(2), 203-211.
[citations: isi = 1, gs = 8; IF: 1.52; ABDC Rank: A]

14. Afik^{PI}, Z., Lahav^{PI}, Y., & Mendelzweig^S, L. (2016). The Inverse of a Terror Event? Stock Market Response to Pro-Active Action. *Studies in Economics and Finance* 33(1), 91-105.
[citations: isi = 0, gs = 2; IF: 0.81; ABDC Rank: B]
15. Gaviious^{PI}, I., Lahav^{PI}, Y., & Russ^{PI}, M. (2016). Changes in the Value Implications of Compensation Costs Throughout the Economic Cycle: An Examination of High-Tech versus Low-Tech Industries. *Asia-Pacific Journal of Accounting and Economics* 23(2), 200-223.
[citations: isi = 1, gs = 2; IF: 0.75; ABDC Rank: B]
16. Afik^{PI}, Z., Lahav^{PI}, Y., Sayar^S, E., & Yosef, R. (2016). You Can Do Better than “Sell in May”. It is Not Halloween, but it May Be Passover and Hanukah. *International Journal of Economics and Finance* 8(1), 121-129.
[citations: isi = 0, gs = 0; IF: 0.5; ABDC Rank: Unranked]
- * 17. Lahav^{PI}, Y. & Salganik^{PI}, G. (2016). Measuring and Characterizing the Domestic Effective Tax Rate of US Corporations. *Advances in Taxation* 23, 33-57.
[citations: isi = 0, gs = 0; IF: 1.14; ABDC Rank: B]
- * 18. Afik^{PI}, Z. & Lahav^{PI}, Y. (2018). Practical Valuation of Risk Transfer in Advance Pricing Agreements. *Journal of Tax Administration* 4(1), 38-54.
[citations: isi = 0, gs = 0; IF: NA; ABDC Rank: B]
- * 19. Carle^S, T. A., Lahav^{PI}, Y., Neugebauer^{PI}, T. & Noussair^{PI}, C. N. (2019). Heterogeneity of Beliefs and Trade in Experimental Asset Markets. *Journal of Financial and Qualitative Analysis* 54(1), 215-245.
[citations: isi = 2, gs = 21; IF: 2.71; ABDC Rank: A*]
- * 20. Afik^{PI}, Z., Haim^S, R. & Lahav^{PI}, Y. (2019). Advance Notice Labor Conflicts and Firm Value – An Event Study Analysis on Israeli Companies. *Finance Research Letters* 31, 410-414.
[citations: isi = 0, gs = 2; IF: 3.53; ABDC Rank: A]

- * 21. Curtis^{PI}, S. & Lahav^{PI}, Y. (2020). Forensic Approaches to Transfer Pricing Enforcement Could Restore Billions in U.S. Federal and State Tax Losses: A Case Study Approach. *Journal of Forensic & Investigating Accounting*, 12(2), 284-315.
[citations: isi = 0, gs = 0; IF: NA; ABDC Rank: B]
- * 22. Gaviious^{PI}, I., Lahav^{PI}, Y. & Weihs^{PI}, H. (Forthcoming). Regulations and Dishonest Behavior: How Controlling Regulatory Mechanisms Prompt Dishonesty in Tax Consulting. *Florida Tax Review*.
[citations: isi = 0, gs = 0; IF: NA; ABDC Rank: A]
- * 23. Sonsino^{PI}, D., Lahav^{PI}, Y. & Levkowitz^S, A. (Forthcoming). The Conflicting Links between Forecast-Confidence and Trading Propensity. *Journal of Behavioral Finance*.
[citations: isi = 0, gs = 0; IF: 0.93; ABDC Rank: A]
- * 24. Lahav^{PI}, Y., & Meer^{PI}, S. (Forthcoming). “The effect of induced mood on traders’ preferences in asset markets – experimental evidence”. *Review of Behavioral Finance*.
[citations: isi = 0, gs = 0; IF: 0.36; ABDC Rank: B]
- * 25. Sonsino, D^{PI}., Lahav, L^{PI}. & Roth, Yefim^S. (Accepted) “Reaching for Returns in Retail Structured Investment.” *Management Science*.
[citations: isi = 0, gs = 0; IF: 3.94; ABDC Rank: A*]

(h) Unrefereed professional articles and publications

1. Lahav^{PI}, Y., & Meer^{PI}, S. (2015). The Effect of Induced Mood on Prices in Asset Markets – Experimental Evidence. Available on *ssrn.com* [citations: gs = 5, *ssrn.com* = 3]

• **Lectures and Presentations at Meetings and Invited Seminars**

(a) Invited plenary lectures at conferences/meetings

2011, “The Effect of Induced Mood on Prices in Asset Markets – Experimental Evidence”. Presented in: the fourth annual conference on the psychology of investments, College of Management, Israel.

(b) Presentation of papers at conferences/meetings (oral or poster)

Ernan Haruvy, Yaron Lahav and Charles Noussair, 2006, “Traders’ Expectations in Asset Markets: Experimental Evidence”, Economics Science Association Annual International Meeting, Atlanta GA, USA.

Yaron Lahav, 2006, “Using Pattern Recognition to Learn about the State of Nature: an Introduction of a New Learning Model”, Economics Science Association North American Regional Meeting, Tucson AZ, USA.

Reuven Avi-Yonah and Yaron Lahav, 2011, “The Effective Tax Rates of the Largest US and EU Multinationals”, American Tax Policy Institute Conference on International Taxation and Competitiveness, Washington DC, USA.

Yaron Lahav and Galla Salganik, 2012, “Measuring and Characterizing the Domestic Effective Tax Rate of US Corporations”, International Atlantic Economics Society, 74th conference, Montreal, Canada.

Yaron Lahav, 2013, “Transfer Pricing, Vertical Integration and Production Externalities: Implication on Profits and the Arm’s Length Principle”, Taxing Multinational Firms, ZEW (Centre for European Economic Research), Mannheim, Germany.

Yaron Lahav and Zvika Afik, 2013, “Risk Transfer Valuation in Advance Pricing Agreements between Multinational Enterprises and Tax Authorities”, Taxing Multinational Firms, ZEW (Centre for European Economic Research), Mannheim, Germany.

Yaron Lahav and Zvika Afik, 2014, “Thinking Near and Far: Modeling Underreaction, Overreaction and the Formation of Traders’ Beliefs in Asset Markets using Experimental Data”, Experimental Finance Conference, Zurich, Switzerland.

Yaron Lahav and Roman Aronchekov, 2014, “Rockets and Feathers in Gas Markets: An Experiment”, Annual Conference of the Society for the Advancement of Behavioral Economics (SABE): “Stretching Behavioral Economics”, Lake Tahoe, NV, United States.

Yaron Lahav, 2015, “Eliciting Beliefs in Beauty Contest Experiments”, 6th Anniversary of Thurgau Experimental Economics Meeting, Kreuzlingen, Switzerland.

Yaron Lahav and Uri Benzion, 2016, “What Happens to Risk Preferences when Interest Rates Fall? An Experimental Study”, Economics Science Association, North-American conference, Tucson, AZ, USA.

Yaron Lahav and Uri Benzion, 2017, “What Happens to Risk Preferences when Interest Rates Fall? An Experimental Study”, BEAM, Tokyo, Japan.

Yaron Lahav, Ilanit Gavious and Hagit Weihs, 2018, “Conflict of Interest in Tax Consulting: An Experimental Study on Dishonesty in Transfer Pricing Documentation”, the Israeli Law and Economics Foundation, annual meeting, Jerusalem, Israel.

Eizo Akiyama, Yukihiro Funaki, Ryuichiro Ishikawa, Yaron Lahav, Charles, N. Noussair, 2019, “Do Belief Heterogeneity Explain Price Deviation from Fundamentals?”, the third Israel Behavioral Finance Conference, Tel-Aviv, Israel.

Yaron Lahav and Michael Goldshmidt, 2019, “Inconsistency between Beliefs and Decisions in Games – An Experimental Study”, Economics Science Association, North-American conference, Los Angeles, CA, USA

Yaron Lahav and Or Santo, 2020, “Wishful Betting”, Economics Science Association, 2020 ESA Global Online Around-the-Clock Meetings (zoom conference)

Eizo Akiyama, Yukihiro Funaki, Ryuichiro Ishikawa, Yaron Lahav and Charles N. Noussair, 2020, “Can Bubbles in Asset Markets be Explained by Heterogeneity of Beliefs?”, Experimental Finance Workshop (virtual)

(c) Presentations at informal international seminars and workshops

Yaron Lahav and Michael Goldshmidt, 2019, “Inconsistency between Beliefs and Decisions in Games – An Experimental Study”, Research workshop on decision making, Ono Academic College, Kiryat-Ono, Israel.

(d) Seminar presentations at universities and institutions

- 2009 – “Experimental Asset Markets: Traders’ Expectations and Design Adjustments”. Department of Economics, Technion, Haifa, Israel.
- 2009 – “The Effect of Induced Mood on Prices in Experimental Asset Markets”. Department of Economics, Bar Ilan University, Ramat-Gan, Israel.
- 2009 – “Traders’ Expectations in Asset Markets: Experimental Evidence”. Business School, Inter Disciplinary Center, Herzlia, Israel.
- 2009 – “Experimental Asset Markets: Traders’ Expectations and Design Adjustments”. Department of Business Administration, Ben-Gurion University of the Negev, Beer Sheva, Israel.
- 2009 – “The Effect of Induced Mood on Prices in Experimental Asset Markets”. Department of Economics and Business Administration, Ariel University Center, Ariel, Israel.
- 2010 – “Expectations, Structure and Mood in Experimental Asset Markets”. Department of Economics, Haifa University, Haifa, Israel.
- 2012 – “A Model of Traders’ Beliefs in Asset Markets”. Department of Public Finance, the University of Innsbruck.
- 2014 – “Thinking Near and Far: Modeling Underreaction, Overreaction and the Formation of Traders’ Beliefs in Asset Markets using Experimental Data”. International Business School, Brandeis University.
- 2016 – “What Happens to Risk Preferences when Interest Rates Fall? An Experimental Study”. Guilford Glazer Faculty of Business and Management, Ben-Gurion University of the Negev.

- 2017 – “Conflict of Interest in Tax Consulting: An Experimental Study on Dishonesty in Transfer Pricing Documentation”. Department of Economics, Waseda University.
- 2018 – “Conflict of Interest in Tax Consulting: An Experimental Study on Dishonesty in Transfer Pricing Documentation”. Guilford Glazer Faculty of Business and Management, Ben-Gurion University of the Negev.
- 2020 “Do Belief Heterogeneity Explain Price Deviation from Fundamentals?”. Guilford Glazer Faculty of Business and Management, Ben-Gurion University of the Negev.

• **Research Grants**

2010 – Yaron Lahav^{PI}, European Union, Research Executive Agency – Marie Curie
 Subject: “Prices and Expectations in Asset Markets – a Field Experiment”
 Period of grant: 2010 – 2014.
 Annual amount: 38,129\$. Total amount: 152,503\$

2012 – Yaron Lahav^{PI}, The Council for Higher Education, the Planning and Budgeting Committee
 Funding for the course “Personal Finance”
 Period of grant: 2012-2013.
 Annual (and total) amount: 10,811\$.

2014 – Yaron Lahav^{PI}, International Foundation for Research in Experimental Economics (IFREE)
 Subject: “Rockets and Feathers in Gas Markets – The Experimental Approach”
 Period of grant: 2014 – 2015.
 Annual (and total) amount: 8,500\$.

2018 – Eizo Akiyama, Yukihiro Funaki, Ryuichiro Ishikawa, Yaron Lahav, Charles N. Noussair, Fund for the Promotion of Joint International Research.
 Subject: “Information Symmetry and Effect of Various Expectations to Financial Markets”.
 Period of grant: 2018 – 2022.

Annual amount: 3,588,000¥ (32,618\$). Total amount: 17,940,000¥ (163,091\$)

2019 – Yaron Lahav, a proposal to promote competitive grant proposals by the Guilford Glazer Faculty of Business and Management.

Subject: “Possible Reasons for the Difference between Beliefs and Actions”.

Period of grant: 2019 – 2020

Annual (and total) amount: 8,000NIS (2,285\$)

2020 – Eizo Akiyama, Yukihiro Funaki, Ryuichiro Ishikawa, Yaron Lahav, Charles N. Noussair, Core-to-Core Program A.

Subject: “Formation of an International Research Center for Experimental Financial Markets”.

Period of grant: 2020 – 2024.

Annual amount: 17,600,000¥ (160,731\$). Total amount: 88,000,000¥ (803,653\$)

• Present Academic Activities

(a) Research in progress

- Afik, Z^{PI}., Lahav, Y^{PI}. & Maymoni, L^S. (Revise and Resubmit) “Intention-Based Disposition Effect in Experimental Asset Markets” *Journal of the Economics Science Association*
- Lahav, Y^{PI}., & Benzion, U^{PI}. (Under Review) “What Happens to Risk Preferences when Interest Rates Fall? An Experimental Study”. *Economic Journal*
- Azar, O. H^{PI}., Lahav, L^{PI}. & Voslinsky, A.^S (Under Review) “Does a second offer that becomes irrelevant affect fairness perceptions and willingness to accept in the ultimatum game?”. *Judgement and Decision Making*
- Afik^{PI}, Z. & Lahav^{PI}, Y. (Working Paper). “Transfer Pricing and Vertical Integration in Multi-National Enterprises”.
- Belenki, R^S. & Lahav, L^{PI}. (Working Paper) “Experimental Research of the Rockets and Feathers Phenomenon in Gas Markets
- Lahav, Y^{PI}. & Santo, Or^S. (Working Paper) “Wishful Betting.”
- Goldshmidt, M^S. & Lahav, Y^{PI}. (Working Paper) “Inconsistency between Beliefs and Decisions in Games – An Experimental Study”

- Akiyama, E^{PI}., Funaki, Y^{PI}., Ishikawa, R^{PI}., Lahav, Y^{PI}. And Noussair, C.^{NPI}.
(Working Paper) “Can Bubbles in Asset Markets be Explained by Heterogeneity of Beliefs?”
- Sonsino, D^{PI}., Lahav, Y^{PI}., Roth, Y.^{PI}. (Working Paper) “Risk Receptiveness Statements Correlate with an Appetite for Risk in Structured Investment”

• **Additional Information**

2010-present: Volunteer, “Pa’amonim” association

1998-1999: Treasurer – Kibboutz Nahal-Oz, Israel

• Teaching Philosophy

A good teacher should pursue three objectives:

1. Provide students with the appropriate tools to deal with the relevant questions and the right way to use them.
2. Leave students with love of the field of study, and the desire to study it further.
3. Identify the best and the most talented students.

When providing the tools of analysis, it is crucial not to provide only the “how to use,” but also the “how it works.” It is one thing for students to know the outcomes of a certain model, but understanding the assumptions and the economic forces that generate these outcomes turns this knowledge into an even more powerful tool. Regarding the implementation, teaching how to make a good analysis is the same as teaching how to play the violin: practice, practice, practice. I always tell my students that learning finance is like learning to swim: you cannot know it just from reading about it. And like a swimmer who has to jump into the water, students should simply learn by doing.

The second objective is the hardest to achieve. How can you teach a person to love something? How can you explain and influence desire? The right way to do it is to remember that you were in their shoes once. You know how they think and feel. Make them know that you once were exactly in the position they are now, and give them the ability to imagine themselves in your shoes sometime in the future. Being professional is important but not enough to achieve this objective. Every session needs to be prepared in detail. The material should reflect topics that students can relate to and find important. Homework assignments are also crucial: they should deal with relevant cases, not meaningless examples. Students spend time on homework, so they should be attracted to the problems they are practicing on. Moreover, it is more important to enable the students to relate to you than to position yourself as if you are intellectually superior to them.

The achievement of the third objective is essential to the continuance of research as an objective set by society. As researchers, we put ourselves on the frontier of knowledge. As teachers, we have to put our students next to us, because as researchers, we need the most help we can possibly get. We also need our students to be our followers and “carry the torch” in due time.

• Research Synopsis

My research areas are behavioral and experimental economics and finance. In particular, my work focuses on the process of beliefs formation and their role in financial and economic decision making. For most of my research, I use the experimental methodology and conduct laboratory experiments with students as living subjects to generate data.

My main objective is to keep my research both relevant and applicable. Most of my research questions can be asked simply by observing markets and people in uncertain situations that involve their decision. By that, I consider my research to be applied, although it consists on hypothetical simulations in the lab. I believe that this objective is the source of interest and relevance in my research.

The experimental methodology has developed in recent decades, mostly to test existing theories of decisions by analyzing real actions in simulated situations. My experiments are designed to exploit the two most important advantages of the experimental methodology: the possibility to generate different treatments to the same scenario and the ability to directly elicit data that cannot be gathered in the field such as beliefs, risk attitude, mood and emotions.

My first research paper titled “Traders’ Expectations in Asset Markets: Experimental Evidence” was published in 2007, and studied how traders form their beliefs in asset markets. This research was experimental, and built on a well-known experimental design. However, while this design was used previously mainly to investigate anomalies in asset pricing and biases in market forces, we were the first to use it to elicit long-term beliefs during trade. In this paper, we suggested a model of belief formation and provided evidence for its accuracy.

In my second experimental work on asset markets, I created a new experimental design to study asset markets in the lab, by prolonging the length of trade. The literature marked this new design as “experimental asset markets with long horizon”. When using this design, my intent was primarily to close the gap between the lab and the field. The results of my second paper put many previous findings in question. I showed that (and was able to explain why) experimental asset markets with long horizon generate different and sometimes opposite results than the short-term design. Many papers implemented my long horizon design since then.

In another paper, we use experimental data on beliefs to study how people process information on market outcomes from different points in time. For the first time, we were able to show how people reinforce and adopt information that coincides with their beliefs, and how they abandon it when it contradicts new realizations. We were able to show how the process of belief formation is affected by hope and disappointment.

My research on experimental asset markets does not focus solely on beliefs, and also engages actions and their relations with market outcomes such as prices. In one study, we induce positive and negative mood to our subjects prior to trade in experimental asset markets. This work is the first to induce mood in asset markets, and the first to show how mood affect asset prices and traders’ decisions. We showed that both positive and negative mood increase prices, while having opposite effects on trade volume.

My most recent development in this field was achieved in 2019. With the understanding on how people use information on previous prices to form beliefs, we began to explore how these beliefs affect people’s actions in experimental asset markets. In this paper we were able to show that heterogeneity of beliefs is a critical aspect of trade. In

particular, we showed that the more optimistic trades buy from the more pessimistic traders. We also showed that traders tend to successfully transform their beliefs into profits: those with more accurate beliefs tend to make higher earnings. While this finding may seem trivial, previous experimental findings show that it does not: in many scenarios, those with more accurate beliefs do not make the highest profits. Our research put experimental asset markets as one exception.

My research on the connection of beliefs and actions is ongoing. My future research on this topic is conducted in three different courses. First, I continue my research on the heterogeneity of beliefs in order to study its mechanism. My future research in this matter focuses on the level of heterogeneity that generate trade. In a current study, we conduct several treatments of experimental asset markets. In each treatment, we reduce heterogeneity of beliefs by providing information to all traders in different levels. Our primary results show that trade depends on heterogeneity of long-term beliefs, while short-term beliefs do not contribute to trade.

In a second course of study, we use novel approaches to elicit traders' emotions, risk attitude and cognitive ability and study how these factors affect belief formation and trade decisions. This study follows our existing study that showed how mood affects financial decisions in asset markets and consequently market outcomes such as prices.

In a third course of study, we dig deeper and elicit traders' second-order beliefs, defined as the beliefs we form about the beliefs of others. This research can provide knowledge on the difference between what traders are and how they perceive themselves to be.

In addition to my research on belief formation, I also conduct experiments to study how people make financial decisions. I can mark the first study in this field as the one I published in 2009. In this study, I presented a new model of decision making that is based on people's tendency to recognize repeated patterns and project these patterns on future occurrences. In this work, I showed that people tend to search for patterns even when they do not exist.

My research on people's financial decision has evolved since then in two directions. The first concentrates on developing and improving experimental methods in order to ensure the validity of experimental results and to provide feasible explanations to possible anomalies in the data and the results. The second focuses on how decisions are affected by change in the financial environment such as changes in interest rates.

I made an important contribution to experimental methodology by studying a troubling anomaly: in experiments that involve both belief elicitation and actions, it appears that subjects' actions are inconsistent with their beliefs. We studied this issue and provided our insight about how to design experiments that will eliminate it. This research can potentially improve the quality of elicited beliefs as experimental data.

I also conducted several experimental studies to find the effect of the financial environment on decisions. The first was inspired from a field observation that investors tend to take more risk when interest rates fall, but fail to reduce it when rates rise. We simulated an investment task where subjects are asked to allocate funds between a risky and risk-free asset, and change interest rates. We managed to replicate the observed phenomenon by showing asymmetric behavior when rates increase and decrease. and explain it, we showed asymmetric behavior: our subjects tended to increase risk-taking when interest rates fell, but not to reduce it when interest rate rose. We were able to document this anomaly and provide an explanation.

In an ongoing research, we study “wishful betting”, defined as people’s tendency to bet higher amounts on more desirable outcomes, even though they have no effect on it. So far, we were able to document wishful betting in the lab and to provide possible explanations.

My most recent publication signify my intended future research with regards to financial decision-making. In this paper, we show that people’s risk attitude is context specific. When presented with structured financial products, subjects show appetite for risk. This finding is – again – consistent with observations from the field. To the best of my knowledge, we are the first to replicate this type of behavior, which most likely would become the starting point for future experiments on such anomaly. While not specifically stated, I believe that the topic of context-specific risk preferences is yet to be studied properly and I envision my future work in this area. Probable directions are re-examination of biases in financial decisions.

Another line of work that I conduct in the field of behavioral finance is called “event study analysis” and it refers to the way financial assets and asset markets react to special events. I focus in particular on event that theoretically should not have any effect on these indices. Some of my previous research includes holidays effect, terror and anti-terror events, indictments against CEOs, protests and my most recent work: work conflicts and successful results in Phase III tests of pharmaceutical companies. I find this research to be an important source of collaboration with MBA students that specialize in finance and wish to conduct research. Future work will examine how announcements on intentions to enter the Cannabis market affects firm value.