Record Nr. UNINA9910824850303321 Autore MacKenzie Donald A Titolo An engine, not a camera: how financial models shape markets // Donald MacKenzie Cambridge, Mass., : MIT Press, ©2006 Pubbl/distr/stampa 0-262-25004-7 **ISBN** 1-282-09767-9 9786612097676 0-262-27880-4 1-4237-7448-5 Descrizione fisica 1 online resource (392 p.) Collana Inside technology Disciplina 332/.01/5195 Soggetti Capital market - Mathematical models Derivative securities - Mathematical models Financial crises - Mathematical models Financial crises Lingua di pubblicazione Inglese **Formato** Materiale a stampa Livello bibliografico Monografia Note generali Description based upon print version of record. Nota di bibliografia Includes bibliographical references and index. Nota di contenuto Acknowledgements; 1 Performing Theory?; 2 Transforming Finance; 3 Theory and Practice; 4 Tests, Anomalies, and Monsters; 5 Pricing Options; 6 Pits, Bodies, and Theorems; 7 The Fall; 8 Arbitrage; 9 Models and Markets; Appendix A An Example of Modigliani and Miller's "Arbitrage Proof" of the Irrelevance of Capital Structure to Total Market Value; Appendix B Levy Distributions; Appendix C Sprenkle's and Kassouf's Equations for Warrant Prices; Appendix D The Black-Scholes Equation for a European Option on a Non- Dividend-Bearing Stock; Appendix E Pricing Options in a Binomial World Appendix F Repo, Haircuts, and Reverse RepoAppendix G A Typical Swap-Spread Arbitrage Trade; Appendix H List of Interviewees; Glossary: Notes: Sources of Unpublished Documents: References: Series List: Index Sommario/riassunto This pioneering work in the social studies of finance describes how the emergence of modern finance theory has affected financial markets in

fundamental ways. Paraphrasing Milton Friedman, the author says that

economic models are an engine of inquiry rather than a camera to reproduce empirical facts.