

MAYUR CHOUDHARY

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EDUCATION

London Business School
Fifth-year Ph.D. in Finance

September 2019 - Present

Indian Institute of Technology Kharagpur
Bachelors of Technology (Hons.)
Department of Electronics and Electrical Communication Engineering

July 2007 - April 2011

Indian Institute of Management Calcutta
Post Graduate Diploma in Management

June 2011 - April 2013

FIELDS OF INTEREST

- Political Economy, Regulations, Contract Theory

WORKING PAPERS

Judicial Selection and Production Efficiency: The Role of Campaign Finance [*Job Market Paper*]

Abstract: This paper studies the effect of campaign finance on judicial selection and production efficiency. Using the Supreme Court's surprise verdict in the Citizens United v. FEC case in 2010, which generates exogenous variation in campaign finance laws, I document that the removal of such bans led to a 33% (\$ 200,000) increase in the average electoral expenditure of judicial candidates and increased competition in State Supreme Court judge elections. The judicial bench also becomes populated with more business-friendly judges. State courts decide the majority of labor, contract, and administrative law disputes, and the State Supreme Court has the power to set legal precedents. Therefore, shifts in the judicial bench of the State Supreme Court affect the legal environment and the contracting choices of firms and labor. I document that labor productivity measured as value added per worker increased by 8% in treated states with judicial elections. I find that for sectors more reliant on contract enforcement, labor productivity is higher in states with judicial elections. Overall, the removal of constraints on electoral finance improves competition in judicial elections, the judicial bench becomes more business-friendly, and improves production efficiency due to the alleviation of contract-enforcement frictions.

Political Finance and Party Preferences

Abstract: Politicians' influence depends on their relationships with other powerful politicians. In a network of elected representatives based on their committee assignments, I use network centrality as a measure of such influence. I use plausibly exogenous variation in funding to show that well-funded politicians tend to be more central. I also estimate the political parties' preferences over politicians' attributes and document that the parties place candidates with higher funding in more central positions than candidates with a stronger legislative record. This bias in favour of well-funded representatives is robust to other measures of influence such as their legislative productivity.

Bank Stress Tests: Frequency vs. Strength

with Deepal Basak (Indiana Kelley) and Zhen Zhou (Tsinghua PBCSF)

Abstract: We study the design of stress tests along two key dimensions: strength and frequency. We evaluate the effectiveness of stress tests in informing bank stakeholders and persuade them to coordinate on not “attacking” the bank, thereby reducing the likelihood of bank failure during distress. The stakeholders are privately informed and move sequentially. We characterize all robustly persuasive stress tests, under which, even in the worst equilibrium, all bank stakeholders disregard their private information and perfectly coordinate their actions based on the test results (“pass” or “fail”). We show that more frequent tests can substitute for higher strength in making the stress tests persuasive. For a principal facing administrative costs in conducting stress tests, we characterize the optimal stress test design and investigate how it depends on macroeconomic conditions, the bank’s idiosyncratic characteristics, as well as the endogenous debt maturity structure of banks. We highlight how extant regulatory measures may complement the stress test policy in promoting financial stability.

Experimentation and Learning under Competitive Search

with Emre Ozdenoren (LBS)

Abstract: We examine contracts in performance-centric professions, such as entrepreneurship, executive leadership, and scientific research, where matches between workers and firms are an experience good and parties face friction in the matching process. Both parties learn about match productivity through experimentation. We show that if the firms can offer fully flexible wages, the competitive search equilibrium is efficient, i.e. the equilibrium number of vacancies and the experimentation duration are the same as what a planner chooses to maximize output net of search cost. Under fixed-wage contracts, if the workers serve their entire contract in equilibrium, the competitive search equilibrium is efficient. However, if the search costs are sufficiently high, the equilibrium wages decline, the workers quit, the experimentation is sub-optimal, and fewer vacancies are created compared to the efficient benchmark. Finally, we highlight the importance of firms’ commitment to contract duration and common priors for efficiency.

TEACHING EXPERIENCE

- Advanced Corporate Finance (Prof. Lakshmi Naaraayan, Prof. Rebecca DeSimone)
- Mergers and Reorganization (Prof. Julian Franks)
- Investments and Valuations (Prof. Ian Cooper)

PROFESSIONAL EXPERIENCE

Ocwen Financial Corporation

Practice Manager, Corporate Strategy

January 2015 - October 2016

Deutsche Bank AG

Analyst, Global Transaction Banking

June 2013 - January 2015

TECHNICAL STRENGTHS

Language/Software

C, MATLAB, Excel, L^AT_EX 2_ε

Mathematica, R, VBA

Stata, Python

Skill Level

Advanced

Intermediate

Beginner