

Re: Nobel prize for economics ?

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calccurve-test23@yahoo.com (Van Jacques) wrote:

>I was watching NOVA on PBS, about the guys who got the
>Nobel prize for economics for the math of the stock market,
>(before their company went bust and the government had
>to bail them out, supposedly to keep the economy from going
>under, but really just to bail out friends of politicians).

What you are referring to is

<http://www.pbs.org/wgbh/nova/transcripts/2704stockmarket.html>

One of the members of LTCM was Myron Scholes, who did get the economics prize in 1997 for the Black-Scholes formula for pricing options (funny LTCM went bust in 98, maybe they should have waited 1 more year). But it's not all the people on LTCM that got the prize, just him.

>

>Did Nobel really say to give a prize for economics?

I don't think so, the correct title for the economics prize is here:

<http://www.nobel.se/economics/laureates/1997/press.html>

<http://www.nobel.se/economics/index.html>

And here it says the Nobel prize is for physics, chemistry, medicine, literature and peace, and separately for economics:

<http://www.nobel.se/nobel/index.html>

There is a different committee for each.

>

>Anyway, they threw darts at a board and did better than
>the "best" traders.

>

>What do you think of giving the Nobel prize to these guys
>for economics, in light of what has happened since the prizes
>were given.

sci.math: Re: Nobel prize for economics ?

As I said it was Scholes who got the prize, for something unrelated (directly) to LTCM.

>*****

>*People don't want to accept that there are just too many variables
>to predict what the market will do, and that speculators are
>really just gamblers. They want to believe that people who are
>in the market really are able to choose the best investments.*