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THE FRANK J. FABOZZI SERIES

# Quantitative Financial Risk Management

*Theory and Practice*

CONSTANTIN ZOPOUNIDIS • EMILIOS GALARIOTIS

WILEY

# **Quantitative Financial Risk Management**

*Theory and Practice*

CONSTANTIN ZOPOUNIDIS  
EMILIOS GALARIOTIS

**WILEY**

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*Quantitative Financial Risk Management: Theory and Practice* by Constantin Zopounidis and Emilios Galariotis



*This work is dedicated to our families for their support and encouragement, as well as for their understanding.*

*More specifically, Constantin Zopounidis wishes to dedicate this to his wife, Kalia, and children, Dimitrios and Helene.*

*Emilios Galariotis wishes to dedicate this to his wife, Litsa, his children, Irini and Vasileios, and his parents, Christos and Irini.*

# Preface

**T**he book *Quantitative Financial Risk Management: Theory and Practice* provides an invaluable forum for creative and scholarly work on financial risk management, risk models, portfolio management, credit risk modeling, portfolio management, and financial markets throughout the world.

Quantitative financial risk management consists of economics, accounting, statistics, econometrics, mathematics, stochastic processes, and computer science and technology. The tools of financial management are more frequently being applied to manage, monitor, and measure risk, especially in the context of globalization, market volatility, and economic crisis.

The main objectives of this book are to advance knowledge related to risk management and portfolio optimization, as well as to generate theoretical knowledge with the aim of promoting research within various sectors wherein financial markets operate. Chapters will relate to one of these areas, will have a theoretical and/or empirical problem orientation, and will demonstrate innovation in theoretical and empirical analyses, methodologies, and applications.

We would like to thank the assistant editors Georgios Manthoulis and Stavroula Sarri for their invaluable help. We extend appreciation to the authors and referees of these chapters, and to the editors at John Wiley & Sons, Inc., for their assistance in producing this book.

The editors,  
Constantin Zopounidis  
Emilios Galariotis

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His academic career started at Durham University and head of research in the area of Finance, Risk, and Accounting Performance as well as co-chair of the department of Accounting and Finance at Audencia. UK. There, beyond his academic role. His academic career started at Durham University, UK (Top 100 in the world, 3rd oldest in England), he was also director of Specialized Finance Masters Programs. His research interests include behavioral finance and market efficiency, contrarian and momentum investment strategies, and liquidity.

His work has been published in quality refereed journals, such as (to mention only the most recent) the *European Journal of Operational Research*, the *Journal of Banking and Finance*, as well as the *Wiley Encyclopedia of Management*. Professor Galariotis is associate editor and member of the editorial board of several international journals, and member of the board of directors of the Financial Engineering and Banking Society and distinguished researcher at various research centers.

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