

A Sample JF Paper

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ABSTRACT

There's nothing very interesting here, but the format (achieved using the file `jf.sty`) makes it suitable for publication in the *Journal of Finance* even if the content doesn't. Here's a nice, informative, double-spaced abstract.

JEL classification: XXX, YYY.

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Note that the JF doesn't want the first section to be titled, and the text here is not indented.¹ Let's put in some sections and subsections to see how they get formatted.

I. The Model

There's not actually a model here as it's not really a paper, but this is about where a model might go. Note that the first sentence of this section is indented (as required by the JF) using the `indentfirst` package.

A. A Subsection

Note that subsections in JF are just labeled with letters. When referring to them in the text, you need to add the section number back, e.g., Section I.B or I.B.1. This is taken care of in `jf.sty`. Let's also add some parenthetical citations (see Stanton (1995), Carpenter, Stanton, and Wallace (2012), Campbell (2003)).

To justify adding a subsection here, from now on, we'll assume

CONDITION 1: $0 < \hat{\mu} < \gamma\sigma^2$.

This condition might be useful if there was a model.

B. Another Subsection, With a Figure

Figures get put at the end, with a note marking where they should go in the text, like this:

[Place Figure 1 about here]

B.1. A Subsubsection with a Proposition

Let's put a proposition here.

PROPOSITION 1: *If Condition 1 is satisfied, a solution to the central planner's problem, $V(B, D, t) \in C^2(\mathbb{R}_+^2 \times [0, T])$, with control $a : [0, 1] \times [0, T] \rightarrow [-\lambda, \lambda]$ if $\gamma > 1$ is*

$$V(B, D, t) = -\frac{(B + D)^{1-\gamma}}{1-\gamma} w\left(\frac{B}{B + D}, t\right). \quad (1)$$

Appendix A. An Appendix

Here's an appendix with an equation. Note that equation numbering is quite different in appendices and that the JF wants the word "Appendix" to appear before the letter in the appendix title. This is all handled in `jf.sty`.

$$E = mc^2. \tag{A1}$$

Appendix B. Another Appendix

Here's another appendix with an equation.

$$E = mc^2. \tag{B1}$$

Note that this is quite similar to Equation (A1) in Appendix A.

REFERENCES

- Campbell, John Y., 2003, Consumption-based asset pricing, in G. M. Constantinides, M. Harris, and R. M. Stulz, eds., *Handbook of the Economics of Finance*, volume 1, chapter 13, 803–887 (Elsevier).
- Carpenter, Jennifer, Richard Stanton, and Nancy Wallace, 2012, Rational vs. behavioral factors in the exercise and valuation of employee stock options, Working paper, U. C. Berkeley.
- Stanton, Richard, 1995, Rational prepayment and the value of mortgage-backed securities, *Review of Financial Studies* 8, 677–708.

Notes

¹Here's a sample footnote (endnote).

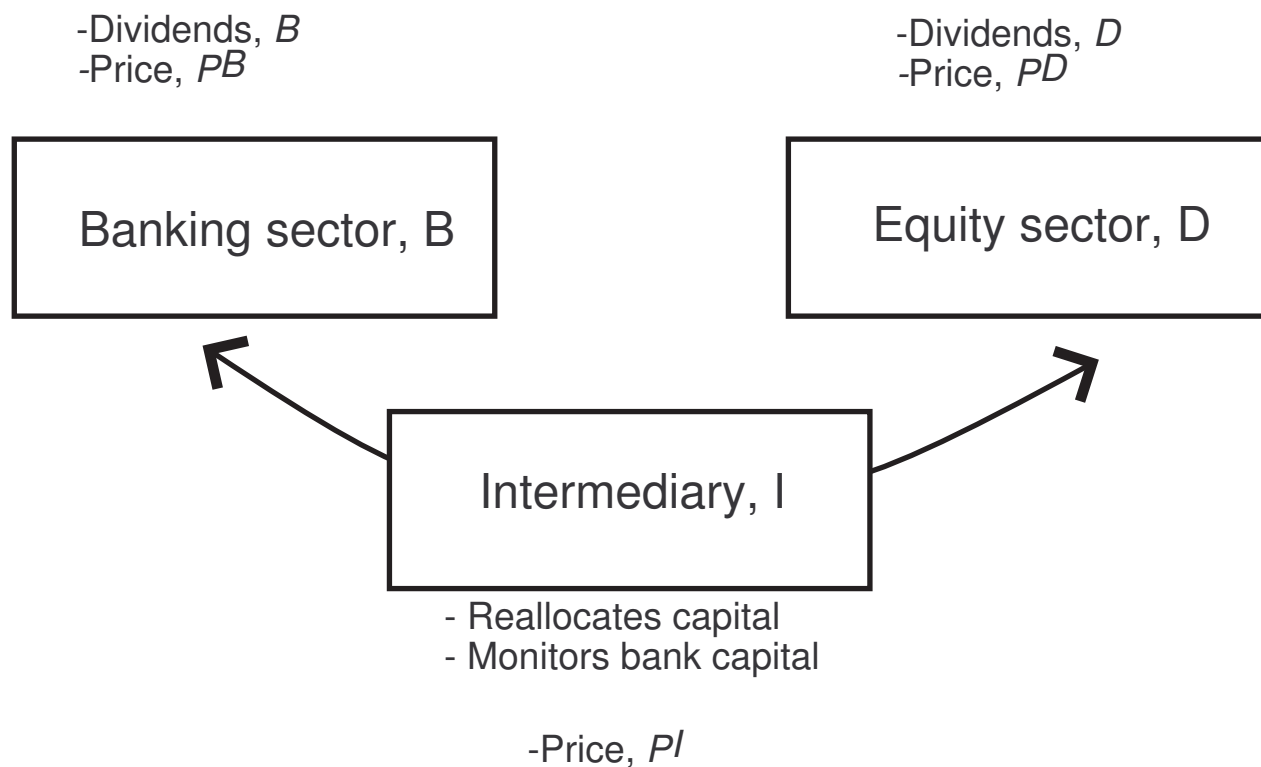


Figure 1. Structure of model: capital can be invested in a bank sector and an equity sector. An intermediary has the expertise to reallocate capital between the sectors and to monitor bank capital against bank crashes.