

# A Sample RFS Paper\*

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\*We thank...

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## Abstract

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

Note that RFS doesn't want the first section to be titled.<sup>1</sup> Let's put in some sections and subsections to see how they get formatted.

## 1 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.

### 1.1 A Subsection

Nothing very odd about the formatting of section and subsection headings, all defined in `rfs.sty`. Here's a reference to Section 1.2 or 1.2.1. Let's also add some parenthetical citations (see Stanton 1995, Carpenter, Stanton, and Wallace 2012, Campbell 2003).

**Note:** The formatting at RFS changed some time in the last few years. Previously, for example, RFS used to put a period after the numbers in section and subsection headers, but not in subsections. There also used to be no line break after the heading in subsections. The current formatting is rather simpler.

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.

### 1.2 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]

**1.2.1 A Subsubsection (inline) with a Proposition.** Let's put a proposition here.<sup>2</sup>

**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*

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

## Figure Legends

### 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.

## An Appendix

Here's an appendix with an equation. Note that equation numbering continues from the main body, and RFS does not put a letter before appendix titles, so use the command `\section*` instead of `\section`.

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

## Another Appendix

Here's another appendix with an equation.

$$E = mc^2. \tag{3}$$

Note that this is quite similar to Equation (2).

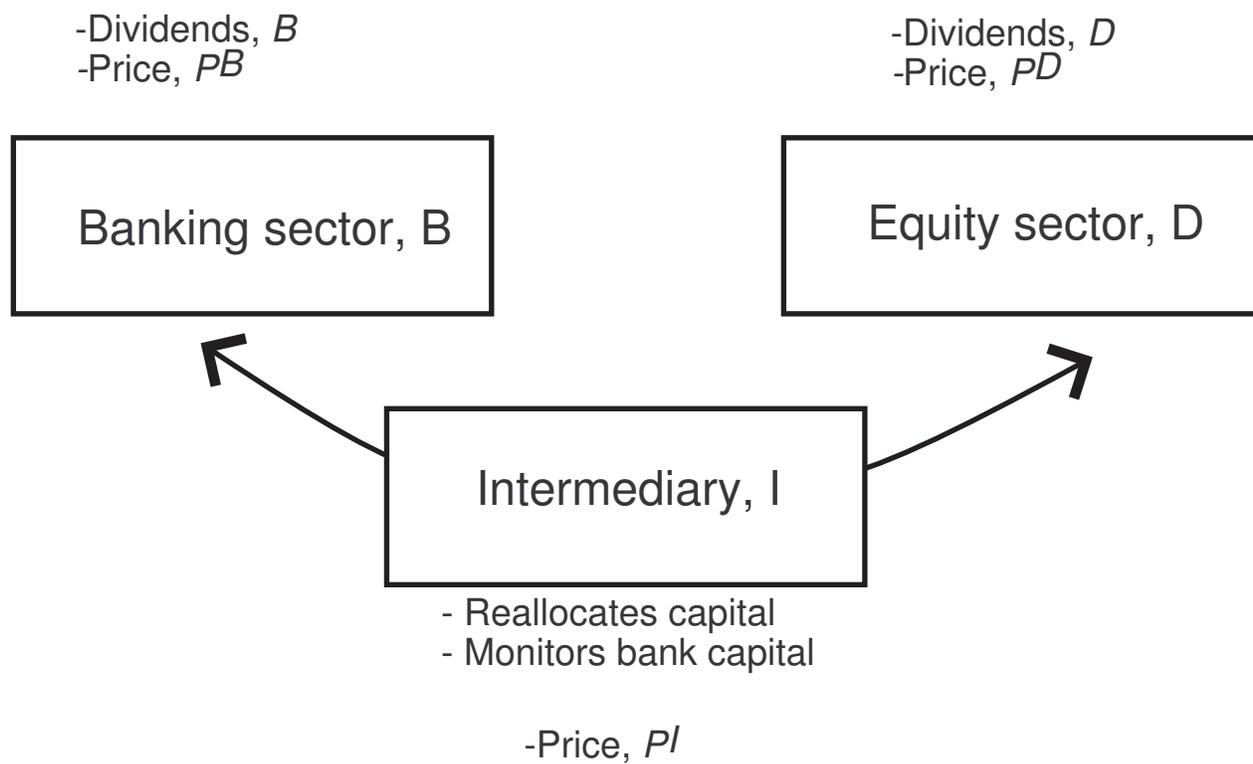
## References

- Campbell, J. Y. 2003. Consumption-Based Asset Pricing. In G. M. Constantinides, M. Harris, and R. M. Stulz (eds.), *Handbook of the Economics of Finance*, vol. 1, chap. 13, pp. 803–887. Elsevier.
- Carpenter, J., R. Stanton, and N. Wallace. 2012. Rational vs. Behavioral Factors in the Exercise and Valuation of Employee Stock Options. Working paper, U. C. Berkeley.
- Stanton, R. 1995. Rational Prepayment and the Value of Mortgage-Backed Securities. *Review of Financial Studies* 8:677–708.

## Notes

<sup>1</sup>Here's a sample footnote (endnote).

<sup>2</sup>The `titlesec` package is used in the preamble to put the subsection heading inline.



**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.