

The french connection

Literature



The French Connection, written by Christopher Dickey, published on Newsweek, May 28, 2012, is about the importance of the French mathematicians in the financial world, how they are made and trained, how they work, and how they're judged every time there's a recession or loss in a company they're working with. In financial world, they are known as the quantitative analysts, or simply, quants.

They are responsible in creating mathematical models for financial products that the "structure guys"—as called in the article—will transform into a reality. Although according to Nicole El Karoui, a professor in University of Pierre and Marie Curie (Paris VI), the equations she is teaching to her students are supposed to be used to solve or cover the risk in the market. But her students use them to create "exotic" products that are sold with "enormous" prices to investors.

The catch is that, as what El Karoui said, "Some clients aren't mature enough to understand the risks of products that are too complex." That's because of one reason: mathematics is not spoken in an understandable, creative way. If something is already complicated, you don't complicate it more by explaining it in a complicated manner, but rather explain it by using understandable, simple, and creative words in order to cover up the its "complicatedness."

As quoted in the article, "Mathematicians display a great deal of imagination." If only mathematicians could explain their models in a way that an average reasonable person could understand, maybe mathematics could be appreciated much more in our world, maybe math would not be shunned anymore because it looks complicated and it complicates life more.

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And if they did that, maybe the business world—or even the whole world—would appreciate the efforts of quants and people would be gain interest to mathematics as a whole.