1077-91-1832 **Aniket Anil Panjwani*** (apanjwa1@masonlive.gmu.edu), 4450 Rivanna Lane, PMB 4580, Fairfax, VA 22030. *Searching for the Implied Market Utility Function.*

Modern portfolio theory tells us how to choose the optimal portfolio given the returns and variances of assets. We choose to modify modern portfolio theory, as created by Merton (1972), by introducing a stochastic element to the standard model. Then, after making an assumption on agents' valuation functions, an assumption on agents' pricing functions, and a 'no arbitrage' assumption on prices, we use parametric and nonparametric methods to estimate a 'market utility function'. This market utility function allows us to see how the market differentiates between portfolios of identical means and variances, but different higher moments and distributions. (Received September 21, 2011)