Three American founders of modern corporate finance won the Nobel Prize for economics yesterday for a series of contributions in the 1950s and 1960s in which they created the intellectual framework with which money managers evaluate the risks and rewards of their investments.

Everyone from newly minted MBAs and lofty pension managers to Eastern European entrepreneurs uses their tools to calculate the cost of capital and the rate of return on various investments, mainly stocks and bonds.

Harry Markowitz, 63, of the City University of New York, was cited by the Swedish Academy of Sciences for developing the theory of portfolio choice.

Merton Miller, 67, was honored for work on the effect of firms’ capital structure and dividend policy on their market price.

William Sharpe, 56, was hailed as the author of the capital asset pricing model, the device that gave Wall Street the concept of the "beta" -- a coefficient designed to measure its riskiness and volatility relative of a particular stock relative to the performance of the stock market as a whole.

It was the first time that the Swedish Nobel committee cited three economists, though dual awards have been common enough in the 22 years since the prize was first awarded in 1969.

Several finance specialists said the late John V. Lintner Jr. of the Harvard Business School would have shared the prize had he lived, for having devised a capital asset pricing model in parallel with Sharpe. Lintner died in 1983.