

# PhD in Finance

01 February 2019

Dear colleagues,

Following the receipt of the External Evaluation Report of the PhD in Finance, we would like to first extend our sincere gratitude to the External Evaluation Committee members for a very comprehensive and productive on-site visit.

Having thoroughly reading the report, we would also like to thank you for the very supportive comments and valuable recommendations that were provided. It is indeed both rewarding and appreciative to receive such comments from scholars of international standing and thus, actions are already under way which follow through all suggestions given.

More specifically, the Department has approved and proceeded with the following list of actions based on the recommendations provided:

## **1. Resources (visiting scholars, international recruitment, databases, seminars)**

Building on the visiting academic scholar scheme, the department has made efforts to allocate resources to invite renowned scholars to visit the department and/or give talks to the students and faculty as part of the departmental seminar series.

Moreover, to be able to attract new faculty members from the international market, including non-Greek speaking faculty, the Departmental Chair, Dr Karamanou, has recently attended a Recruiting Workshop in Madrid, where she was able to actively contribute to the international recruitment of faculty members. This and other similar recruiting visits will take place regularly so that we are able to meet and attract excellent faculty that will further improve the international standing of the programme.

Additionally, the University has agreed to fully support the purchase/acquisition of specialized databases which will promote cutting-edge research and contribute to an environment of research excellence.

## **2. PhD in Finance Curriculum Enhancement**

### *(a) New advanced required courses*

The general practice at the Department was to cover more advanced topics through “Advanced Topics” and “Readings” courses, and through material assigned to PhD students to study for the Comprehensive exams. However, dedicated advanced courses will contribute positively to curriculum enhancement and thus, the Department has introduced the new doctoral level courses (see ANNEX I):

- AFN 661 Advanced Corporate Finance (7 ECTS),
- AFN 662 Advanced Asset Pricing (7 ECTS) and
- AFN 663 Advanced Methods in Empirical Finance (7 ECTS).

These new courses will be mandatory in the PhD program and will replace existing optional coursework.

As far as the specialized financial econometrics and Microeconometrics courses, after studying the standard text by Cameron and Trivedi, Cambridge U. Press (2005)

“Microeconometrics. Methods and Applications”, we have come to understand that the vast majority of the material included (Linear Models, Maximum Likelihood and Non-linear Estimation, GMM and Systems Estimation, Semiparametric Methods, Cross-Section Data and Panel Data) is fully covered in one of the econometrics courses which is already required for our PhD program, namely the ECON 653 Statistics and Econometrics II (7.5 ECTS).

*(b) Enhancement of existing advanced required courses*

All graduate courses at the department were offered with a code such as 5XX. The Department decided that existing advanced courses which are requirements for the PhD program should be offered as 6XX instead of 5XX, to best reflect their advanced level.

Specifically,

- The course AFN 526 Financial Analysis and Capital Markets Research (7 ECTS), which is taught by resident faculty member Prof. Andreas Charitou, will be offered as AFN 626 Financial Analysis and Capital Markets Research (7 ECTS).
- The course AFN 527 Theory and Methodology in Finance & Accounting (6 ECTS), which is taught by resident faculty member Assoc. Prof. Irene Karamanou, will be offered as AFN 627 Theory and Methodology in Finance & Accounting (6 ECTS).

*(c) Other new advanced courses*

Two new optional courses are introduced, the AFN 667 Advanced Topics I (3 ECTS) and AFN 668 Advanced Topics II (3 ECTS) which will be offered by visiting or resident faculty according to their research interests and expertise on advanced contemporary topics.

*(d) Departmental seminar series*

The department has upgraded the Seminar Series where invited faculty present their research to faculty and PhD students. The new series is organized by new faculty member Associate Professor Marios Panayides. All dates are announced in advance and circulated via social media and the School's/Department's website.

### **3. Strengthening the Job-Market Placement Structures**

Following the committee recommendation, and in accordance with the FEM Strategic Plan 2020, the School took the initiative to organize the FEM Academic Careers Centre (FEM-ACC) to facilitate the transition of our students to the job market/academia and play an important role towards successful career planning for our PhD candidates.

The FEM-ACC will act as a useful resource for our PhD candidates who wish to explore academic careers in different countries, and apply for grants. The FEM-ACC will be in a position to help PhD candidates in clarifying various career options, while advice on career choices is beyond the scope of this Centre.

Essentially, the FEM Academic Careers Centre aims to:

*(a) Provide training on how to enter and succeed in the job market*

The Centre will provide on a number of sessions open to all PhD Candidates on how to successfully secure a job in the academia via practice interviews, interview tips, how to fill in applications, present research work and expected publications and plan their

research agenda. The Centre will also organize *mock interviews* on a personal basis, delivering interactive and experiential professional development as researchers.

*(b) Provide opportunities for presenting their work for guidance, encouragement and feedback*

The Centre with the collaboration of the Departmental PhD Directors will organize a PhD seminar series in which the PhD candidates will be given the opportunity to present their work in front of fellow PhD candidates and School-wide faculty. Students will receive valuable feedback, have the chance to resolve queries and receive guidance from all involved. Moreover, this will enable the PhD candidates to build their audience engagement and impact skills.

The Centre will also facilitate departmental funding for additional conference attendances, a vital activity for broadening our PhD candidates' profile. Currently our PhD students have funding to attend at least one international conference and extra funding to attend selected international conferences hosted in Cyprus. In conferences, our students will have the opportunity to present their research, and meet peers and other professionals in the field, such as established senior professors, to build a strong network, share ideas and possibly receive valuable advice. Additionally, they will listen to talks and presentations about future research trends that could open up new avenues of research, new ways of thinking about a specific topic and even get a new idea.

*(c) Locate and diffuse info on job openings from the global labour market*

The Centre will utilize a number of international job databases such as EURAXESS-Jobs, Academic Careers, EURES – The European Job Mobility Portal, H-Net Job Guide, HigherEdJobs.com, Academic Jobs EU, Academy of Management, EPSO European Personnel Selection Office, jobs.ac.uk, Academics.com, Adjunct Nation, etc, to help PhD candidates who are closer to market to locate job opportunities and apply for various positions in the academia and elsewhere in and out of Cyprus.

*(d) Enhance and promote our PhD candidates' profile and raise their potential*

The Centre will, among others, help PhD candidates in successfully designing their CV and writing an appealing research overview / job statement. The Centre will act as an institution for the successful marketing of the PhD programmes' job-market candidates, via utilizing the School's strong international network and cultivating our PhD online presence. The Centre will organize events in which industry and academia will be invited and where PhD Candidates can present their work and discuss job opportunities. The Centre already created a dedicated place in the School's webpage to include our PhD candidates' CVs, work in progress, conference papers and presentations. This will enhance and promote our PhD candidates' profile through establishing their expertise. Moreover, the Centre will provide support in effectively forming our PhD candidates' social media presence and communicating effectively. Employers nowadays are using online tools more often to research potential candidates. A thorough online presence can provide employers more detail about our PhD candidates as a professional and as a person. A social presence will also allow our PhD candidates to follow experts in their field, other faculty members, and industry leaders, while staying atop their research area and related trends.

*(e) Facilitate a semester abroad for the PhD Candidates*

The Centre will facilitate the process of offering the opportunity to PhD candidates to travel abroad and work at a research/university institution in Europe or North America

or elsewhere. Currently, the Department encourages PhD students to visit leading universities internationally. It also funds partially all PhD students who visit universities abroad. Recently, two PhD students visited for a semester University of Toronto (Fall of 2017, Nikos Floropoulos) and University of North Carolina Chapel Hill (Fall of 2018, Zacharias Petrou). The Centre will utilize its international network to locate great opportunities for the PhD candidates and enable a smooth transition. Additionally, the Centre will, in cooperation with the respective School Department secure funding for the candidate's mobility. A semester abroad entails a number of advantages such as broadening world views and ways of thinking, benefiting with future career opportunities by providing more life experiences and personal connections, improving communication, language and inter-cultural skills and gain soft skills highly valued by future employers.

*(f) Provide training on how to be a successful academic*

The Centre will provide essential information on publishing and refereeing techniques, designing courses, and teaching tactics. The Centre will also introduce PhD candidates to applying for post docs and securing external funding, from agencies such as the European Commission (e.g. H2020 MSCA) and the Research Promotion Foundation (e.g. Post Doc). The Centre will train PhD Candidates in proposal writing and consortium building for successfully obtaining funding for their research. The Centre will present both external and internal funding opportunities to all PhD Candidates and support the grant application process.

The FEM Academic Careers Centre is located at the Dean's office and the Coordinator of the School will be responsible for its overall running. She, in collaboration with the faculty and administration of the School, will carry the above activities. Practice interviews will be held in collaboration with the Departmental PhD Directors. The Postgraduate School and the central administrative services will also be sourced for enhancing PhD support services and the overall experience of students at the University.

#### **4. International rankings and reputation**

The accreditation by AACSB is already underway as an accreditation officer was recruited (start date of work: 14 January 2019). The School plans to submit the membership application within a month. The accreditation officer will collaborate with the faculty and staff on gaining the accreditation within the minimum timeframe possible. AACSB has been contacted and discussions are on-going. Plans on starting work on the EQUIS accreditation are in place as soon as the AACSB is successfully completed.

# ANNEX I

<b>Course Unit Code</b>	AFN 662
<b>Type of Course Unit (compulsory / optional)</b>	PhD level – Compulsory
<b>Year of Study (that course is offered)</b>	2nd year of PhD Study
<b>Semester/Trimester when the Course Unit is Delivered</b>	Spring Semester
<b>Number of ECTS Credits Allocated</b>	7
<b>Name of Lecturer(s)</b>	Resident or Visiting Faculty (Professor George Korniotis, U. of Miami, USA.)
<b>Learning Outcomes of the Course Unit</b>	The aim of the course is to provide knowledge into choice under uncertainty, discount factors and absence of arbitrage, and overview theories and models of contemporary equilibrium asset pricing, factor pricing and intertemporal decisions.
<b>Mode of Delivery (face to face, distance learning)</b>	Face to face
<b>Prerequisites</b>	Successful completion of 1 <sup>st</sup> year PhD courses
<b>Co-requisites</b>	Student's Enrollment in 2nd year of PhD study
<b>Course Contents</b>	<p>Topic areas to be studied are:</p> <ol style="list-style-type: none"> <li>1. Choice under uncertainty, expected utility and risk aversion</li> <li>2. Two-period consumption/portfolio problems</li> <li>3. Mean-variance and Capital Asset pricing Model</li> <li>4. Consumption-based pricing models</li> <li>5. Arbitrage Pricing Theory</li> <li>6. Intertemporal consumption decision and ICAPM</li> <li>7. Expected returns in time series and cross section; the Equity Premium puzzle</li> <li>8. Other topics (Prospect Theory, Skewness preference, etc.)</li> </ol> <p>Note: familiarity with mathematical probability and constrained optimization is expected.</p>
<b>Required Reading</b>	<ol style="list-style-type: none"> <li>1. George Pennacchi "Theory of Asset Pricing," Pearson Addison-Wesley, 2008.</li> <li>2. John Cochrane "Asset Pricing," Princeton University Press, 2001.</li> <li>3. Readings from academic literature (will be assigned).</li> </ol>
<b>Planned Learning Activities</b>	Lectures coupled with extensive assignments and discussion of academic literature
<b>Teaching Methods</b>	Lectures (3 hours weekly)
<b>Assessment Methods and Criteria</b>	<ol style="list-style-type: none"> <li>1 Final Exam</li> <li>2 Assignments/Presentations</li> </ol>
<b>Language of Instruction</b>	Greek or English

<b>Course Unit Code</b>	AFN 661
<b>Type of Course Unit (compulsory / optional)</b>	PhD level - Compulsory
<b>Year of Study (that course is offered)</b>	2nd year of PhD Study
<b>Semester/Trimester when the Course Unit is Delivered</b>	Spring Semester
<b>Number of ECTS Credits Allocated</b>	7
<b>Name of Lecturer(s)</b>	Lecturer Stylianos Papageorgiou (new faculty member, PhD ETH-Zurich, 2018)
<b>Learning Outcomes of the Course Unit</b>	The aim of the course is to give insights into important topics of corporate finance, overview theories and models and understand issues of asymmetric information, adverse selection, moral hazard and agency problems.
<b>Mode of Delivery (face to face, distance learning)</b>	Face to face
<b>Prerequisites</b>	Successful completion of 1 <sup>st</sup> year PhD courses
<b>Co-requisites</b>	Student's Enrollment in 2nd year of PhD study
<b>Course Contents</b>	<p>Topics to be studied are:</p> <ol style="list-style-type: none"> <li>1. Review of Game Theory</li> <li>2. Valuation under Certainty, under Uncertainty, Multiple Periods and Flexibility under Uncertainty</li> <li>3. Review of Optimal Capital Structure, Miller-Modigliani Propositions, Personal and Corporate Taxes and Cost of Capital</li> <li>4. Agency Problems and Informational Asymmetries</li> <li>5. Payout Policy, Dividends, Stock Repurchases and Signaling</li> <li>6. Financial Contracting and Contract Design, Incomplete Markets and Transaction Costs</li> <li>7. Asymmetric Information and Competition in Capital Restructuring and Mergers and Acquisitions</li> <li>8. Game Theory, Resource Allocation and Bankruptcy</li> </ol>
<b>Required Reading</b>	<ol style="list-style-type: none"> <li>4. Joao Amaro De Matos "Theoretical Foundations of Corporate Finance," Princeton University Press, 2001.</li> <li>5. Readings from academic literature (will be assigned).</li> </ol>
<b>Planned Learning Activities</b>	Lectures coupled with extensive assignments and discussion of academic literature
<b>Teaching Methods</b>	Lectures (3 hours weekly)
<b>Assessment Methods and Criteria</b>	<ol style="list-style-type: none"> <li>3 Final Exam</li> <li>4 Assignments/Presentations</li> </ol>
<b>Language of Instruction</b>	Greek or English

<b>Course Unit Code</b>	AFN 663
<b>Type of Course Unit (compulsory / optional)</b>	PhD level - Compulsory
<b>Level of Course Unit (e.g. first, second or third cycle , sub-level, if applicable)</b>	PhD
<b>Year of Study (that course is offered)</b>	2nd year of PhD Study
<b>Semester/Trimester when the Course Unit is Delivered</b>	Fall Semester
<b>Number of ECTS Credits Allocated</b>	7
<b>Name of Lecturer(s)</b>	Marios Panayides, Associate Professor (PhD, Yale University, 2004)
<b>Learning Outcomes of the Course Unit</b>	This course will introduce students to many of the empirical methods used in modern financial economics. The course focuses on the empirical techniques used most often in the analysis of financial markets and in empirical corporate finance. Statistical software proficiency will be acquired since we will have exercises with real data.
<b>Mode of Delivery (face to face, distance learning)</b>	Face to face
<b>Prerequisites</b>	Successful completion of 1 <sup>st</sup> year of PhD courses
<b>Co-requisites</b>	Student's Enrollment in 2 <sup>nd</sup> year of PhD study
<b>Recommended Optional Program Components</b>	
<b>Course Contents (course description) 100-150 words</b>	<p>Topics to be studied are:</p> <ol style="list-style-type: none"> <li>1. Statistical properties of asset returns and the efficient markets hypotheses</li> <li>2. Empirical tests of asset pricing models (CAPM, APT)</li> <li>3. Tests of conditional asset pricing models</li> <li>4. Event studies</li> <li>5. Panel data.</li> <li>6. Market microstructure econometrics</li> <li>7. Endogeneity Issues: Instrumental Variables, RDD, Diff-in-Diff approach.</li> <li>8. General multivariate techniques</li> </ol>
<b>Required Reading</b>	<ol style="list-style-type: none"> <li>1. The Econometrics of Financial Markets by Campbell, Lo, and MacKinlay (Princeton University Press, 1997).</li> <li>2. Readings from academic literature (will be assigned).</li> </ol>
<b>Recommended Reading</b>	Asset Pricing by John H. Cochrane (Princeton University Press, 2001).
<b>Planned Learning Activities</b>	Lectures coupled with extensive assignments and discussion of academic literature.
<b>Teaching Methods</b>	Lectures (3 hours weekly)
<b>Assessment Methods and Criteria</b>	<ol style="list-style-type: none"> <li>5 Final Exam</li> <li>6 Assignments/Presentations</li> </ol>
<b>Language of Instruction</b>	Greek or English

