



Πανεπιστήμιο Κύπρου  
University of Cyprus

**SCHOOL OF ECONOMICS  
AND MANAGEMENT**

***DEPARTMENT OF ECONOMICS***

**GRADUATE PROSPECTUS**

**ACADEMIC YEAR  
2019-20**

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## **Department of Economics**

The Department aims to produce scientific knowledge of an international standard and to transfer this knowledge to its students. It offer a range of postgraduate programmes that cover the needs of both the students that are interested in entering the job market upon completion of their studies and of those who are interested in continuing with a research career. Specifically, the Department offers the following postgraduate degrees:

- Master Degree in Economic Analysis (MECA)
- Master Degree in Monetary and Financial Economics (MMFE)
- Master Degree in Financial Economics (offered jointly with the Department of Accounting and Finance)
- Master in Business Economics TIME MBE (Technology Innovation Management and Entrepreneurship, jointly offered by a consortium of three universities: the University of Crete, the University of Cyprus and Wageningen University in Netherlands).
- Ph.D. in Economics

## **Introduction**

The science of Economics studies human behaviour and the organization of human societies. As individuals we continuously make decisions with economic repercussions. Some are minor, such as our daily transactions and our weekly groceries; whether to go out for dinner or coffee; if we are going to drive or take the bus to work. Others have important consequences in our lives: whether to go to college and what subject to study; how much to save and how; and if we are going to accept an offer for a new job or stay with our current employer. Firms also have to make a lot of decisions such as what goods and services to produce; how much to invest; how many employees to hire and how much to pay them; and how much to invest in marketing and advertising. The third important party is the state, which makes decisions that affect our everyday lives as well as the long-term evolution of the economy. All these decisions by individuals, the firms and the state form our social and economic environment which determines our living standards.

Understanding the economic behaviour of the individual and the basic principles that govern the functioning of a modern economy allow economists to evaluate economic data and information correctly and to make rational decisions. With this knowledge the economics graduate can pursue a career in the civil service, regulatory bodies, banking, accountancy or consulting services. One can also choose to specialize in economic research and advance to an academic or research career. We strive to offer modern high quality graduate programmes that teach the state of the art in economics in order to allow graduates to successfully compete with the graduates of the best universities in the world.

## **Research**

The Department of Economics covers a broad spectrum of research areas such as international trade, employment and migration, econometric theory, international finance, industrial organization, productivity, economic growth, experimental economics, political economy and microeconomic theory. Our staff members have links to some of the best research centers and universities in the world and participate in important international research networks. Our key goal is the production of high quality research for publication in the best international scientific journals.

## Resources and facilities

The University Library offers students access to all the important scientific journals as well as a large number of books. Student also have access to the computer labs of the School of Economics and Management which are equipped with state of the art hardware and software, including statistical packages. The School also provides access to several international databases as well as data on the Cypriot economy that can be used by students in their research projects or theses. In this environment graduate students can study and acquire all the necessary skills needed for a successful career.

## Admission Requirements

In addition to the requirements described in the relevant Admission and Attendance Regulations, candidates for the graduate studies programme are required to have a grade of 550 in the TOEFL examinations or 213 in the TOEFL computer-based format exam or B in the GCE O-Level examinations or an equivalent qualification demonstrating sufficient knowledge of the English language (by previously obtaining a degree from an accredited U.K. or U.S. academic institution, for instance).

In addition to the requirements described in the relevant Admission and Attendance Regulations, candidates for the graduate studies programme whose first language is not English are required to provide proof of proficiency in English in one of the following ways:

1. G.C.E. O-Level English with a minimum grade "C".
2. I.G.C.S.E. English with a minimum grade "C".
3. I.E.L.T.S. minimum average score 6.5.
4. T.O.E.F.L. with a minimum score of 550 (Paper-based) or T.O.E.F.L. with a minimum score 213 (Computer-based) or T.O.E.F.L. (Internet based) with a minimum score 92.
5. Cambridge English First (FCE), with a minimum score 176.
6. Cambridge English Advanced (CAE), with a minimum score 176.
7. Cambridge English Proficiency (CPE), with a minimum score 176.
8. Certificate of Proficiency in English (ECPE), with a minimum score 650.
9. Anglia Examinations – Proficiency (C1).
10. IB diploma (International Baccalaureate).
11. Certificate of success in the exams conducted by the Ministry of Education and Culture.
12. Certificate of success in year 6th final exams, of the Cyprus State Institutes of Further Education.
13. Any other equivalent exam that will prove proficiency in English language.
14. Candidates who hold a degree from a recognized university programme taught in English are considered to have proficiency in English.

For more information on applications to join the graduate programme of economics, please refer to the Admission and Attendance Regulations – Application Procedures.

Our programmes are open to students without an undergraduate degree in economics. All programmes have been designed to accommodate students of diverse backgrounds, particularly students in technical fields such as mathematics, statistics and mechanics.

## Master's Programmes

### 1. Master in Economic Analysis (MECA)

Provides rigorous training in economic theory and econometric methods. It is suitable for students interested in working as economic analysts or in continuing their studies for a Ph.D. The language of instruction is English.

## **2. Master in Monetary and Financial Economics (MMFE)**

Provides a broad background in economic theory and specialized courses in monetary and financial economics. It is suitable for students who are interested in a career in the financial sector, such as banks, investment companies, etc. The language of instruction is Greek, but some courses may be offered in English.

## **3. Master in Financial Economics**

Offered in collaboration with the Department of Accounting and Finance. It is suitable for students with a strong background in economics and/or quantitative methods. It aims to provide produce graduates who can apply advanced methods of analysis and conduct high quality research. Graduates can pursue a career in the financial or banking sector, or continue their studies for a Ph.D., either in Economics or in Finance. The language of instruction is English.

## **4. Master in Business Economics (TIME MBE)**

The TIME (Technology Innovation Management and Entrepreneurship) Masters in Business Economics (MBE) is a full-time inter-University 15 month Master's program in Business Economics (MBE) which offers a novel inter-university Masters of Business Economics curriculum that combines targeted classroom and practical training to provide students with the knowledge and the entrepreneurial skills needed to successfully manage innovative organizations in an ever changing environment by offering an integrated curriculum.

### **General Programme Structure**

The normal duration of all programmes for full-time students is three semesters. The maximum time allowed for completion of a degree is eight semesters.

All Master Degrees are awarded upon successful completion of at least 90 ECTS in graduate courses with the exception of the TIME MBE program which requires 120 ECTS. For the Master Degree in Monetary and Financial Economics programmes, the completion of nine courses and a Master's thesis is required. For the Master Degree in Economic Analysis programme, the requirement is twelve courses or eight courses plus a Master's thesis. Courses are separated into two categories: required and elective courses. Required courses give essential background in microeconomics, macroeconomics and econometrics. Elective courses give students the opportunity to specialize in their area of interest. Required courses for each Master's programme are described below.

#### **Master's Thesis**

**(ECO 698 – 24 ECTS, MMFE)**

**(ECO 699 – 30 ECTS, MECA)**

The thesis should demonstrate in-depth knowledge of a particular topic and should contain original research elements. The thesis is presented to students and faculty and is marked independently by the student's advisor and a member of staff with similar research interests appointed by the Departmental Committee of Graduate Studies. If work on the thesis extends beyond one semester, students can register in ECO 600 Master's Thesis (1 ECTS) for at most two subsequent semesters.

## MASTER IN ECONOMIC ANALYSIS (MECA)

Provides rigorous training in economic theory and econometric methods. It is suitable for students interested in working as economic analysts or in continuing their studies for a Ph.D. The language of instruction is English.

ECTS

### First Semester

ECO 601 Microeconomic Analysis I	7.5
ECO 602 Macroeconomic Analysis I	7.5
ECO 603 Statistics and Econometrics I	7.5
ECO 604 Analytical Methods in Economics	7.5

### Second Semester

ECO 651 Microeconomic Analysis II (ECO 601)	7.5
ECO 652 Macroeconomic Analysis II (ECO 602)	7.5
ECO 653 Statistics and Econometrics II (ECO 603)	7.5

*Note: The courses in brackets are prerequisites*

One of the following:

ECO 605 International Trade	7.5
ECO 606 International Finance	7.5
ECO 610 Money, Banking and Financial Economics	7.5
ECO 611 Labour Economics	7.5
ECO 612 Industrial Organisation and Policy	7.5
ECO 613 Public Economics	7.5
ECO 644 The Economics of Firm Financing	7.5
ECO 664 Analysis of Economic and Financial Data	7.5
ECO 673 Applied Microeconometrics	7.5
ECO 680 Applied Financial Econometrics	7.5
ECO688 Current Topics in Economic Research I	7.5
ECO788 Current Topics in Economic Research II	7.5

### Third Semester

ECO 699 Master's Thesis	30
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*Notes:*

- 1. Students may replace an Elective Course with a graduate course offered by other University Departments, following approval from the Departmental Board.*
- 2. Students may replace an Elective Course with an undergraduate course offered by other University Departments, following approval from the Departmental Board.*

## **MASTER IN MONETARY AND FINANCIAL ECONOMICS (MMFE)**

Provides a broad background in economic theory and specialized courses in monetary and financial economics. It is suitable for students who are interested in a career in the financial sector, such as banks, investment companies, etc. The language of instruction is Greek, but some courses may be offered in English.

	ECTS
<b>Required Courses</b>	<b>52.5</b>
<b>First Semester</b>	
ECO 610 Money, Banking and Financial Economics	7.5
ECO 661 Microeconomics	7.5
ECO 662 Macroeconomics	7.5
ECO 663 Econometrics	7.5
<b>Second Semester</b>	
ECO 606 International Finance	7.5
ECO 644 The Economics of Firm Financing	7.5
ECO 680 Applied Financial Econometrics	7.5
One Elective Course	6-7.5
<b>Third Semester</b>	
One Elective Course	6-7.5
ECO 698 Master's Thesis*	24
<b>Electives Courses</b>	<b>13.5-15</b>
Two of the following:	
AFN 521 Financial Theory	7
AFN 522 Investments	7
AFN 525 Options and Futures	7
AFN 526 Financial Analysis and Capital Market Research	7
AFN 528 Advanced Capital Budgeting	6
AFN 530 Seminar on Cyprus Economy, Banking and Financial Markets	6
AFN 534 Financial Risk Management	6
AFN 538 Applied Topics in Finance	6
ECO 605 International Trade	7.5
ECO 611 Labour Economics	7.5

ECO 612 Industrial Organisation and Policy	7.5
ECO 613 Public Economics	7.5
ECO 664 Analysis of Economic and Financial Data	7.5

*\* Master's Thesis: The thesis must be related to the specific programme and must satisfy the criteria specified above (General Programme Structure – Master's Thesis)*

If the nine courses chosen by a student total under 66 ECTS then that student may enroll in ECO 695 (Seminar of Economic Research, 1.5 ECTS) to fulfill their Master degree requirements.

## **MASTER IN FINANCIAL ECONOMICS**

Offered in collaboration with the Department of Accounting and Finance. It is suitable for students with a strong background in economics and/or quantitative methods. It aims to provide produce graduates who can apply advanced methods of analysis and conduct high quality research. Graduates can pursue a career in the financial or banking sector, or continue their studies for a Ph.D., either in Economics or in Finance. The language of instruction is English.

	ECTS
<b>First Semester</b>	
ECO 601 Microeconomic Analysis I	7.5
ECO 603 Statistics and Econometrics I	7.5
AFN 521 Financial Theory	7
AFN 525 Options and Futures	7
<b>Second Semester</b>	
ECO 653 Statistics and Econometrics II (ECO 603)	7.5
ECO 680 Applied Financial Econometrics	7.5
AFN 526 Financial Analysis and Capital Market Research	7
AFN 528 Advanced Capital Budgeting	6
AFN 542 Seminar Series (Colloquium)	3
<b>Third Semester</b>	
ECO 602 Macroeconomic Analysis I	7.5
AFN 522 Investments	7
ECO or AFN Master's Thesis	15.5

*Note: The course in brackets is prerequisite*

## **MASTER IN BUSINESS ECONOMICS - TIME (Technology Innovation Management and Entrepreneurship)**

The TIME (Technology Innovation Management and Entrepreneurship) Masters in Business Economics (MBE) is a full-time inter-University 15 month Master's program in Business Economics (MBE) which offers a novel inter-university Masters of Business Economics curriculum that combines targeted classroom and practical training to provide students with the knowledge and the entrepreneurial skills needed to successfully manage innovative organizations in an ever changing environment by offering an integrated curriculum.

TIME MBE is a full-time 15th month program with 120 ECTS needed for a successful completion. All courses are compulsory.

The program consists of three different components:

1. The Academic Modules (September – May, 60 ECTS)
2. The Summer Practicum (May – July, 30 ECTS) A Supervised Summer Internship
3. The Master Thesis (May – December, 30 ECTS)

ECTS

### **First Semester**

MBE5101 Business Economics	4.0
MBE5102 Economics of Innovation and R&D Spending	4.0
MBE5103 Data Analytics and Quantitative Methods	4.0
MBE5104 Behavioral Economics	4.0
MBE5204 Financial Management for Innovative Firms	3.0
MBE5206 Firm Performance Evaluation	4.0
MBE5306 New Technology Ventures	3.0

### **Second Semester**

MBE5201 Finance & Accounting for Decision Making	4.0
MBE5202 Marketing & Management for Innovative Firms	4.0
MBE5203 Competitive Decision Making and Negotiations	3.0
MBE5205 Global Economic Challenges	4.0
MBE5301 Strategy for R&D Intensive Firms	4.0
MBE5302 Decision Making for Innovative Ventures	4.0
MBE5303 Intellectual Property Rights and Technology Transfer	4.0
MBE5304 Use of Innovation and Knowledge in R&D Intensive Firms	4.0
MBE5305 Skills for Small Firm Development	3.0

### **Summer Semester**

MBE5400 Internship	30
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### **Third Semester**

MBE5500 Master Thesis	30
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## **Doctoral Programme**

The goal of the Ph.D. Programme in Economics is to provide training to individuals to become high quality researchers in line with international standards. Our aim is for our graduates to be able to successfully compete for employment at research institutions, public policy organizations, and the private sector. The creation of a dynamic research community at the University of Cyprus will raise the level of economic research in Cyprus and will infuse public debate on economic policy with scientific methods and rigorous analysis.

### **Admission Requirements**

Minimum requirements for admission to the Ph.D. programme are:

1. Research-oriented Master Degree in Economics. There are such programmes in many universities abroad. At the University of Cyprus the relevant programme is the Master in Economic Analysis. To be admitted into the Ph.D. programme students must have very good academic standing in the core courses (Microeconomics, Macroeconomics and Econometrics). Other academic or research criteria will also be considered. In exceptional cases the Graduate Committee can request that the Department Council waive the minimum grade requirements mentioned above.

2. Very good command of the English language. This can be certified in one of the following ways:

1. G.C.E. O-Level English with a minimum grade "C".
2. I.G.C.S.E. English with a minimum grade "C".
3. I.E.L.T.S. minimum average score 6.5.
4. T.O.E.F.L. with a minimum score of 550 (Paper-based) or T.O.E.F.L. with a minimum score 213 (Computer-based) or T.O.E.F.L. (Internet based) with a minimum score 92.
5. Cambridge English First (FCE), with a minimum score 176.
6. Cambridge English Advanced (CAE), with a minimum score 176.
7. Cambridge English Proficiency (CPE), with a minimum score 176.
8. Certificate of Proficiency in English (ECPE), with a minimum score 650.
9. Anglia Examinations – Proficiency (C1).
10. IB diploma (International Baccalaureate).
11. Certificate of success in the exams conducted by the Ministry of Education and Culture.
12. Certificate of success in year 6th final exams, of the Cyprus State Institutes of Further Education.
13. Any other equivalent exam that will prove proficiency in English language.
14. Candidates who hold a degree from a recognized university programme taught in English are considered to have proficiency in English.

The Graduate Committee will prepare individual curriculums for each student accepted. This will ensure that all students have the necessary skills and knowledge to proceed to the research stage of their degree.

### **Programme Structure**

The Ph.D. programme is a four-year programme (eight semesters, 240 ECTS). Three semesters are taken up by coursework and a minimum of five semesters are required for the research phase.

### **A. Coursework - Comprehensive Examinations**

During the first year students need to take compulsory courses - Microeconomics, Macroeconomics and Econometrics. Students can take the exam only if they have a grade of at least 6.5/10 in the 6 core courses (Microeconomics, Macroeconomics and Econometrics) without failing any class. Students cannot repeat classes in order to improve their grades. However, the Graduate Committee can, in exceptional circumstances, allow students who have failed one class to repeat it.

The Comprehensive Exam is administered by a special Committee of three Academics and will be based on the research interests of each student. The special Committee is also responsible for the timing of the exam which has to take place no later than the end of the second year of studies. The Graduate Committee appoints the special Committee after a suggestion from the student's Research Advisor.

If the student fails the exam he/she will have to repeat it the following semester (and no later than the end of the third year of studies) as specified by the University of Cyprus rules.

### **B. Specialization - Submission of Research Proposal**

During the second year of studies students take four field courses which give them the opportunity to acquire expertise in their area of interest. At this stage students are expected to discuss their research interests with faculty members, a process that will lead to a mutual agreement between the student and a faculty member who will become the student's main advisor. Under the guidance of his advisor the student will prepare and successfully defend his research proposal by the end of his third year of studies. The procedure for defending the research proposal is stipulated in University regulations.

### **C. Research - Submission of Dissertation**

The student will conduct his research under the guidance of his advisor. The procedure for defending the dissertation is stipulated in University regulations.

### **Credit for Previous Coursework**

Credit may be given for up to one year's graduate level coursework (60 ECTS) taken at other universities. Students cannot be exempted from the comprehensive examinations. Completion of the Ph.D. requires that students study at least three years at the University of Cyprus. Students must also take at least 30 ECTS from the elective courses (therefore, courses ECO 601/602/603/ 651/652/653 are excluded).

ECTS

#### **Compulsory Courses**

ECO 601 Microeconomic Analysis I	7.5
ECO 602 Macroeconomic Analysis I	7.5
ECO 603 Statistics and Econometrics I	7.5
ECO 604 Analytical Methods in Economics	7.5
ECO 651 Microeconomic Analysis II	7.5
(Prerequisite ECO 651 - 7.5 ECTS)	
ECO 652 Macroeconomic Analysis II	7.5
(Prerequisite ECO 652 - 7.5 ECTS)	
ECO 653 Statistics and Econometrics II	7.5
(Prerequisite ECO 653 - 7.5 ECTS)	
ECO 688 Current Topics in Economic Research I	7.5
ECO 788 Current Topics in Economic Research II	7.5

### **Elective Courses**

ECO 605 International Trade	7.5
ECO 606 International Finance	7.5
ECO 610 Money, Banking and Financial Economics	7.5
ECO 611 Labour Economics	7.5
ECO 612 Industrial Organisation and Policy	7.5
ECO 613 Public Economics	7.5
ECO 644 The Economics of Firm Financing	7.5
ECO 664 Analysis of Economic and Financial Data	7.5
ECO 673 Applied Micro Econometrics	7.5
ECO 680 Applied Financial Econometrics	7.5

Any course considered by the Department Board to have low attendance can be taught as a Reading Course or as an Independent Study (ECO 693 and ECO 696). Students cannot select more than two Reading Courses.

Students may replace up to two elective courses with undergraduate courses offered by other University Departments, upon approval from the Department Board.

### **Research Stage**

Students who pass their comprehensive examinations have the following additional responsibilities in each semester of their research and writing stages:

- a) They must attend the Departmental seminar series (at least 80%).
- b) They must present their research in this Departmental seminar series. (Students signed up for 15 ECTS research stage are exempt from this requirement).

The Director of Graduate Studies will be responsible for overseeing doctoral students' completion of these requirements.

### **Defence of Research Proposal**

By the end of the 6th Semester students are required to have prepared and successfully defended their research proposal. The committee examining the thesis proposal consists of three members proposed by the student's advisor and appointed by the Departmental Committee of Graduate Studies. The Committee is chaired by the student's advisor. One of the members of the Committee could be an academic from another department of the University of Cyprus or an academic from another university or research center.

The student is expected to demonstrate the ability to study a new subject in an original way and his/her knowledge of the appropriate research methods. She/he is also expected to present some supportive preliminary results.

### **Thesis Defence**

Candidates give a brief oral summary and answer questions on the content and results of the Ph.D. Thesis. Candidates are expected to defend the thesis, demonstrate its originality and justify deviations from previous results in the literature.

For more information on Attendance Regulations of Postgraduate Studies, please refer to the Admission and Attendance Regulations – Application Procedures or please consult the Graduate School (tel.: 22894021/44).

### **Additional Remarks**

#### **Financial Support for Doctoral Students**

The department makes every effort to ensure that doctoral students have enough income to allow them to live independently. This is accomplished mainly through their employment as research assistants. The Department also awards some grants, while students can also secure employment as research assistants.

### **Course Descriptions**

#### **ECO 601 Microeconomic Analysis I (7.5 ECTS)**

Rigorous study of market structures (Perfect Competition, Monopoly, Monopolistic Competition and Oligopoly), Theory of Distribution under Perfect and Imperfect Competition, Capital Theory and introduction on general equilibrium and welfare economics. Depending on the course duration, the course will proceed with a rigorous treatment of production functions, cost functions and duality.

#### **ECO 602 Macroeconomic Analysis I (7.5 ECTS)**

The course will introduce students to the foundations and methodology of dynamic macroeconomic theory and main classes of macroeconomic models, with a review of useful mathematical tools such as dynamic programming and optimal control as well as relevant empirical methods. The objective is to deepen the understanding of aggregate fluctuations, as well as the role of economic policy.

#### **ECO 603 Statistics and Econometrics I (7.5 ECTS)**

Probability Theory. Random Sample. Regression, Prediction and related notions. The Linear (Normal) Regression Model: Estimation, Hypothesis Testing, Misspecification Testing. Generalized Linear Regression. Elements of Time-Series. Heteroskedasticity and Autocorrelation. Dynamic Linear Regression. Nonlinear Regression. Multivariate Regression Systems. The Simultaneous-Equation Model. Generalized Method of Moments. Limited Dependent Variables. Panel Data Models.

#### **ECO 604 Analytical Methods in Economics (7.5 ECTS)**

Economic Modelling and Equilibrium Analysis. Linear Models and Matrix Algebra. Comparative Static Analysis. Constrained and Unconstrained Optimization Methods. Dynamic Methods in Continuous and Discrete Time.

#### **ECO 605 International Trade (7.5 ECTS)**

The course analyzes the traditional trade theory as well as the “new trade theory.” The first part of the course covers absolute and comparative advantage as well as the Heckscher-Ohlin model. The second part examines optimal tariffs in situations where countries have market power and strategically interact with each other. These methods are used to examine economic integration at both the regional and global levels.

**ECO 606 International Finance (7.5 ECTS)**

Introduction to the main puzzles in International Economics and the theories that attempt to explain these. Review of the properties of the international business cycle and introduction to International Real Business Cycle Theory, with the goal of understanding international co-movement of macroeconomic variables and synchronization across national economies. A look at international relative prices, including the study of long-run determinants of real exchange rates and an analysis of the related issues of Purchasing Power Parity and the Law of One Price, with the goal of understanding segmentation of international markets and the evidence for international price convergence.

**ECO 610 Money, Banking and Financial Economics (7.5 ECTS)**

This course examines financial markets and institutions. We analyze recent research developments in financial markets (such as bonds, stocks and foreign exchange) and financial institutions (banks, insurance companies, mutual funds, etc.). Topics to be covered will be chosen from the following: financial markets, financial institutions, the financial system, prices and exchange rates, money and bond markets, interest rates, inflation, stocks, bonds, portfolio choice, European economic convergence, and others.

**ECO 611 Labour Economics (7.5 ECTS)**

This course begins by examining static and dynamic theories of the demand for and supply of labour as well as their interaction in the context of the competitive paradigm. Emphasis is placed on econometric methods for the empirical implementation of these models. Studies of wage outcomes and apparent deviations from the competitive norm are then considered. A number of non-competitive labour market models are reviewed as well as empirical attempts to discriminate amongst them. The course ends with an examination of issues relating to possible failure of the labour market to clear, e.g., wage rigidity and unemployment.

**ECO 612 Industrial Organization and Policy (7.5 ECTS)**

Industrial Organization is concerned with the study of imperfectly competitive markets. The course aims to develop an understanding of competitive interaction in such markets; to introduce the empirical methods used to analyze them; and to outline the basic policy principles that govern their operation. Indicative topics include estimation of supply and demand, estimation of cost and production functions, monopoly regulation, oligopoly models, collusion and cartels, mergers, product differentiation, barriers to entry.

**ECO 613 Public Economics (7.5 ECTS)**

This course examines the effects of fiscal policy on the economy through taxation and public expenditure from both positive and normative points of view. Both positive and normative aspects of public policy are examined in relation to issues like the role of the state, the taxation of goods and services, the effect of taxation on labour supply and savings, the taxation of company profits and its effects on corporate finance and investment and the incidence of taxes. Also examined from the public expenditure point of view are topics on market imperfection such as public goods, externalities and social insurance. In several topics reference is made to the public sector in Cyprus and conclusions drawn from empirical analysis are presented.

**ECO 644 The Economics of Firm Financing (7.5 ECTS)**

The course examines among other topics the valuation of a firm's financial condition, bond, stock and option valuation, the trade-off between risk and return, valuation of investment projects, creating value

for shareholders, global financial markets and their impact on raising long-term capital, establishing a target capital structure and dividend policy.

#### **ECO 651 Microeconomic Analysis II (7.5 ECTS)**

This course continues the analysis of the principles of Microeconomic Theory and is divided into two parts. The first part will develop the basic principles of Game Theory under conditions of both complete and incomplete information and will apply these to the analysis of problems such as collusion, bargaining, auctions, moral hazard, and adverse selection. The second part will serve as an introduction to general equilibrium theory and its extensions, and will discuss the general theorems of welfare economics.

#### **ECO 652 Macroeconomic Analysis II (7.5 ECTS)**

Analytical approach to basic macroeconomic models with finite and infinite horizons in discrete and continuous time. Introduction to Real Business Cycle and International Real Business Cycle Models. Endogenous Growth Theory with emphasis on R&D-based Models and International Technology Diffusion.

#### **ECO 653 Statistics and Econometrics II (7.5 ECTS)**

Basics of Probability and Statistics, the bootstrap, generalized method of moments, endogeneity, Simultaneous Equation Models, Limited Dependent Variables, Panel Data Models, Nonparametric Density Estimation, Nonparametric Regression Estimation.

#### **ECO 661 Microeconomic Analysis (7.5 ECTS)**

The course will begin with a review of the classic theories of consumer and producer behavior and proceed to the description of basic market structures and the analysis of factor markets. It will then lay out the basic principles of game theory under conditions of both complete and incomplete information. These will be the tools for the analysis of topics in modern microeconomic theory such as bargaining auctions, moral hazard and adverse selection.

#### **ECO 662 Macroeconomic Analysis (7.5 ECTS)**

The primary objective of this course is to help students understand the functioning of the macroeconomy as the aggregate outcome of the actions of heterogeneous agents. The course presents and analyzes macroeconomic models that can help us understand the behaviour of macroeconomic variables and their responses to policy shocks. The course includes an in-depth discussion of a number of concepts and topics in the area of macroeconomics, including economic expectations and monetary policy.

#### **ECO 663 Econometrics (7.5 ECTS)**

Probability Theory. Random Sample. Regression, Prediction and related notions. The Linear (Normal) Regression Model: Estimation, Hypothesis Testing, Misspecification Testing. Generalized Linear Regression. Elements of Time-Series. Heteroskedasticity and Autocorrelation. Dynamic Linear Regression. Nonlinear Regression. Multivariate Regression Systems. The Simultaneous-Equation Model. Generalized Method of Moments. Limited Dependent Variables. Panel Data Models.

#### **ECO 664 Data Analysis in Economics and Finance (7.5 ECTS)**

The purpose of this course is enabling students to collect economic data from databases and subsequently be able to analyze them with aid of specialized statistical and econometric software.

### **ECO 673 Applied Microeconometrics (7.5 ECTS)**

Brief review of the classical linear regression model. Econometric models for cross-section data and time-series data. Economic applications and the use of specialized econometric software are emphasized. Topics will be drawn from: 1) models of multiple equations, 2) models of limited dependent variables, 3) elements of time-series analysis and models for macro and financial data.

### **ECO 680 Applied Financial Econometrics (7.5 ECTS)**

Financial Time Series and their characteristics; Conditional Heteroskedastic Models; Nonlinear Models and their applications; Continuous-time Models and their applications; Risk Management, Extreme Values, Quantile Estimation and Value at Risk; Estimation and tests of Asset Pricing Models, Multivariate Volatility Models; High-frequency Data Analysis and Market Microstructure.

### **ECO688 Current Topics in Economic Research I (7.5 ECTS)**

The class is divided into two parts. In the first part the most important topics in current economic research will be presented and analyzed. In the second part students will choose a field to focus on and present and systematically analyze the relevant literature and produce the relevant reports.

### **ECO788 Current Topics in Economic Research II (7.5 ECTS)**

The class is divided into two parts. In the first part the most important topics in current economic research will be presented and analyzed. In the second part students will choose a field to focus on and present and systematically analyze the relevant literature and produce the relevant reports.

### **Research Interests of the Academic Staff**

- **Elena Andreou, Professor**

Financial Econometrics, Time Series Econometrics

- **Andri Chassamboulli, Assistant Professor**

Search and Matching, Immigration, Macroeconomics, Labor Economics

- **Louis Christofides, Emeritus Professor**

Labour Economics, Macroeconomics, Applied Econometrics.

- **Sofronis Clerides, Professor**

Industrial organisation, applied microeconomics and international trade.

- **Panayiota Flori – Lyssioutou, Associate Professor**

Public Economics; Labour Economics; Applied microeconomics and microeconometrics; Interhousehold and intrahousehold behavior

- **Costas Hadjiyiannis, Associate Professor**

International Trade, Game Theory, Industrial Organisation, Microeconomics.

- **Christis Hassapis, Associate Professor**

Macroeconomics and Banking International Finance.

- **Ioannis Kasparis, Associate Professor**

Time Series Econometrics, Specification Testing, Asymptotic Statistical Theory

- **Andros Kourtellos, Associate Professor**

Econometrics, Socioeconomic Inequality and Mobility, Economic Growth, Macroeconomics, Forecasting

- **Philippus Louis, Lecturer**

Game Theory, Experimental Economics, Institutional and Market Design, Organisational Economics

- **Theofanis P. Mamuneas, Professor**

Applied Microeconomics and Econometrics and Public Economics; Infrastructures, R&D Spillovers and Productivity; Growth.

- **Michael S. Michael, Professor**

International Trade, Environmental Economics, Public Economics

- **Marios Michaelides, Assistant Professor**

Labour Economics, Unemployment, Labour Market Policy, Compensating Differences, Migration.

- **Christoforos Pissarides, Professor**

Macroeconomics, Especially Search Theory, Unemployment, Growth and Structural Change.

- **Nicos Theodoropoulos, Assistant Professor**

Labour Economics, Econometrics.

- **Andreas Tryphonides, Lecturer**

Applied and Quantitative Macroeconomics, Econometrics

- **Nikolaos Tsakas, Assistant Professor**

Microeconomics, Social and Economics Networks, Experimental Economics, Game Theory, Industrial Organization.

- **Dimitrios Xefteris, Assistant Professor**

Political Economics, Social Choice, Applied Game Theory, Microeconomic Theory.

- **Marios Zachariadis, Professor**

Macroeconomics, Open Economy Macroeconomics, Economic Growth.

- **Nicholas Ziros, Assistant Professor**

Microeconomic theory, General equilibrium theory

## **Contact Details**

### **Department Secretariat**

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## **ECONOMICS RESEARCH CENTRE**

The Economics Research Centre of the University of Cyprus (ERC) is an independent nonprofit research institution dedicated to high quality policy oriented research in economics. While emphasis is placed on subjects concerning the Cyprus economy, research at the ERC has a broad perspective and aims at results of high academic standard with wide international interest.

The modern economy is said to be ‘the economy of knowledge and information’ to emphasize the importance of investment in human capital for economic growth and prosperity. This relates to globalization and deregulation and the resulting increase in the intensity of competition in international and local markets. European orientation is leading the Cyprus economy to this increased competition and this renders economic research a high priority.

The ERC studies issues of the Cyprus economy on a continuous basis. It aims to encourage economists of high caliber to become involved in research on subjects of interest to the Cyprus economy. It also aims to serve as a channel for directing local and European research funds to economic research. Among the

objectives of the ERC are to study topics of wider economic interest and publish articles in international academic journals.

In conclusion, the ERC aims to fill the gap resulting from the absence of adequate economic research in Cyprus and aspires to make a distinct contribution to the prosperity of the Cypriot people.

### **Research Activities**

The ERC has the required research infrastructure (suitably trained researchers, computer software and hardware, constantly updated databases, etc.) to respond in a timely and effective manner to research needs in a rapidly changing economy. The Centre also benefits from the expertise offered by established Academics in Cyprus and abroad participating in the research effort as Research Associates and Fellows. The research activities at the ERC are divided into five sectors:

#### **Public Economics and Taxation**

Research in this sector examines all aspects of public economics, with a focus on fiscal policy and the wider role of government in the economy.

#### **Firms and Productivity**

This sector aims at providing policy conclusions for improving the institutional and economic framework where businesses operate. The sector investigates the factors that affect productivity and produces productivity indices for the Cyprus economy.

#### **Households and Social Welfare**

The economic behaviour of households is examined based on the influence it has on the economic well-being of the society and its wider social policy implications. Targeted public assistance, inequality and poverty, are at the centre of the sector's research agenda.

#### **Macroeconomic Analysis and Forecasting**

The sector focuses on the development of models/tools for macroeconomic analysis of the Cypriot economy and forecasting economic indicators.

GDP growth and inflation forecasts are published quarterly along with an analysis of the outlook for the Cypriot economy. The sector analyses the Business and Consumer Survey data for Cyprus, which records business and consumer expectations regarding the current economic conditions as well as their expectations for various economic variables. The Surveys are published on a monthly basis. The sector also deals with the construction of property price indices for Cyprus.

#### **Other Research Projects**

This sector undertakes research on specialised topics and it is currently focused on energy policy, topics on employment and unemployment in Europe and issues that have to do with competition.

### **Operation**

The ERC operates as an autonomous unit in the Economics Department of the University of Cyprus. Its Director is elected from among the senior staff of the Economics Department and has overall responsibility for administration and research supervision.

The ERC is managed by the Academic Council and the Advisory Council.

The Academic Council oversees the organisation and execution of research and consists of the project coordinators and the research fellows of the ERC.

The Council is composed by five to nine members from both the Academic Community and outside the Academia; it advises the Director of the ERC on selecting research topics that will be of interest to Cyprus.

**Director**

Professor Elena Andreou

**Contact Details**

Secretary

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