



**FACULTY OF ECONOMICS AND MANAGEMENT**

**DEPARTMENT OF ECONOMICS**

**GRADUATE PROSPECTUS**

**2023-2024**

## Administration and Staff

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Kourtellos Andros

### **Vice-Chairperson**

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### **Academic Staff**

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Lecturer

Associate Professor

Professor

Associate Professor

Associate Professor

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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 offers a range of postgraduate programmes that cover the needs of students that are interested in entering the job market upon completion of their studies as well as 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 in Business Economics TIME MBE (Technology Innovation Management and Entrepreneurship, offered in collaboration with the University of Crete.
  - Master in Behavioural Economics (MBEHEC)
- 
- 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 econometrics. It is suitable for students interested in working as economic analysts both in the public and in the private sector, as well as for those interested in continuing their studies to obtain a Ph.D. in Economics. 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 English.

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

The TIME (Technology Innovation Management and Entrepreneurship) Masters in Business Economics (MBE) is a full-time 15-month Master's programme in Business Economics (MBE) which is offered in collaboration with the University of Crete. It offers a 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.

### **4. Master in Behavioural Economics (MBEHEC)**

The Master in Behavioural Economics provides students with a general grounding in behavioural and experimental approaches to social sciences and policy design. It is suitable for students interested in working and applying behavioural insights in both the public and private sector, as well as for those interested in continuing their studies in behavioural science at the doctoral level. The language of instruction is English.

## **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. The language of instruction for all programmes is English.

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 105 ECTS. Courses are separated into two categories: required and elective courses. Required courses give essential background in key areas and 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)**

**(ECO 697 – 30 ECTS, MBEHEC)**

**(MBE5500 – 30 ECTS, MBE)**

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) / MBE5501 Continuation of Master Thesis (0 ECTS) for at most two subsequent semesters.

## MASTER IN ECONOMIC ANALYSIS (MECA)

For the Master Degree in Economic Analysis, the requirement is twelve courses or eight courses plus a Master's thesis. It provides rigorous training in economic theory and econometrics. 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.

### First Semester

	ECTS
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	or	30
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Four courses from the above list (4 courses X 7.5 ects)

*Notes:*

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

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

For the Master Degree in Monetary and Financial Economics, the requirement is nine courses plus a Master's thesis. It 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 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>Elective Courses (two of the following)</b>	<b>13.5-15</b>
ECO 664 Analysis of Economic and Financial Data	7.5
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

\* 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).

\* Placement in Financial Organizations (ECO691, 7.5ECTS): The ECTS obtained from a placement cannot count towards the fulfilment of the 90 ECTS that are required for the completion of the programme. ECO691 can be completed as an additional elective course.

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 BEHAVIOURAL ECONOMICS (MBehEc)

For the Master in Behavioural Economics the requirement is eight courses plus a Master's thesis. It provides students with a general grounding in behavioural and experimental approaches to social sciences and policy design. It is suitable for students interested in working and applying behavioural insights in both the public and private sector, as well as for those interested in continuing their studies in behavioural science at the doctoral level. The language of instruction is English.

	ECTS
<b>Required Courses</b>	<b>60</b>
<b>First Semester</b>	
ECO 661 Microeconomics	7.5
ECO 665 Behavioural and Experimental Economics	7.5
<i>One of the following four*:</i>	
ECO 663 Econometrics	7.5
ECO 664 Analysis of Economic and Financial Data	7.5
PSY 604 Multivariate Statistics for the Behavioural Sciences	7.5
PSY 789 Applied Data Analysis I	7.5
<i>One of the following two:</i>	
PSY 713 Experimental Methods in Psychology	7.5
PSY 641 Epistemology and Research Design in the Social Sciences	7.5
<b>Second Semester</b>	
PSY 608 Attention and Perception	7.5
PSY 640 Social Influences and Social Representations	7.5
ECO 675 Behavioural Insights for Policy	7.5
<i>One of the following two:</i>	
PSY 731 Cognitive Neuroscience	7.5
PSY 719 Topics in Neuroscience	7.5
<b>Third Semester</b>	
Master's Thesis	30

\*ECO 664 is the course that will typically be offered and suggested to the students. In cases this course is not possible to be offered, students with some background in economics can take ECO663 and those with no such background can take PSY604 or PSY789 as alternates.



## **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 15-month Master's programme in Business Economics (MBE) which is offered in collaboration with the University of Crete. It offers a 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 105 ECTS needed for a successful completion. All courses are required.

The program consists of three different components:

1. The Academic Modules (September – May, 60 ECTS)
2. The Summer Practicum (May – July, 15 ECTS) A Supervised Summer Internship
3. The Master Thesis (May – December, 30 ECTS)

### **First Semester**

	<b>ECTS</b>
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	15
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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 Universities, research institutions, public policy organizations, and the private sector. In addition to this, it aims at creating a dynamic research community at the University of Cyprus that will also raise the level of economic research in Cyprus and will infuse public debate on economic policy with scientific methods and rigorous analysis.

### **Admission Requirements**

The minimum requirements for admission to the Ph.D. Programme are:

1. A research-oriented Master's Degree in Economics (similar in structure to the Master in Economic Analysis) and a strong background in Microeconomics, Macroeconomics and Econometrics.
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.

Evaluation of applications is done by the Departmental Committee of Graduate Studies, based on applicants' performance in their undergraduate and postgraduate studies. Applicants may be called for an interview if this is deemed necessary. The Committee submits their recommendation to the Departmental Council, which has the final say on offering a position in the programme.

The Committee prepares 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 programme.

### **Programme Structure**

The Ph.D. programme requires the completion of 240 ECTS. The teaching part of the Ph.D. program is 90 ECTS and the research part 150 ECTS. The main stages of the programme are the following:

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

During the first two semesters, the students take two core courses in each of the three core areas of Economic Theory: Microeconomics, Macroeconomics and Econometrics, as well as one course of Analytical Methods and one course on Current Topics of Economic Research. During the third semester, students take one more course on Current Topics of Economic Research and three field courses that give them the opportunity to acquire expertise in the research area they are interested in. Depending on course availability, a student might take some field courses during the fourth semester. Moreover, during the fourth semester, students are also expected to write a research paper, which must contain original research.

The second important step before entering the research stage of the programme is for a student to succeed in the comprehensive exam. For the comprehensive exam to take place, the student must first reach a mutual agreement with a faculty member who will agree to become the student's main Advisor. The exam is expected to take place before the end of the fourth semester of studies.

The comprehensive exam consists of a written examination focused on topics related to the research area the student plans to work on. Typically, the examined material consists of a series of relevant academic papers that the student needs to study and understand in depth. These papers are chosen by the student's Advisor.

The exam is administered by a three-member committee, which is usually consisted of faculty members of the Department and one of them is the student's Advisor. The committee is also responsible for the timing of the exam which should ensure that it takes place within the required time frame (not earlier than the third semester of studies). The three-member committee is appointed by the Departmental Council after a suggestion from the Department's Committee of Graduate Studies and the student's Advisor. The exam is graded with a pass or fail. A student who fails the exam will have to repeat it during the following semester (and no later than the end of the seventh semester of studies).

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

The first milestone of the programme's research stage is the submission of the Research Proposal. 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. The procedure regarding the presentation of the research proposal is determined by the rules of postgraduate studies of the University.

Students are required to have prepared and successfully defended their research proposal by the end of their third year of studies, including the time spent in the coursework stage. A necessary requirement is that the proposal is defended between two and four semesters after the student has succeeded in the comprehensive exam.

The committee examining the Research Proposal consists of three members proposed by the student's Advisor and appointed by the Departmental Council after a suggestion from the Department's Committee of Graduate Studies and the student's Advisor. 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.

## **C. Research - Submission of Dissertation and Thesis Defense**

Upon succeeding in defending the Research Proposal, the student will conduct original research under the guidance of his/her Advisor. This research should be oriented in leading towards the writing of the student's

Doctoral Dissertation. When the student considers the Dissertation to be completed, and upon the approval of the Advisor, he/she should submit it to the Department and start preparing for its subsequent public presentation. The submission of a Doctoral Dissertation and its subsequent public presentation may be completed at the earliest during the sixth semester of the student's enrolment in the Ph.D. programme. The Doctoral Dissertation needs to be submitted at the latest during the first month of the final semester of studies.

The Thesis Defence is conducted according to the relevant rules of the University of Cyprus. The candidate presents the Dissertation in an open lecture, with duration 30-45 minutes, before a five-member Examining Committee. During the Thesis Defence, the candidate gives a brief oral summary and answers questions on the content and results of the Ph.D. Thesis. The candidates are expected to defend the Thesis, demonstrate its originality and justify deviations from previous results in the literature.

The five-member Examining Committee is set up by the Departmental Council at the suggestion of the Department's Committee of Graduate Studies and the student's Advisor. The Examining Committee is made up of three members of the Department's faculty, one of which is always the student's Advisor and they are typically the same members that examined the student's research proposal, and two external members. The Chair of the Examining Committee is a member of the Department's faculty, but not the student's Advisor.

Detailed information regarding the Rules of Postgraduate Studies can be found in the webpage of the Graduate School. For more information on Attendance Regulations of Postgraduate Studies please consult the Graduate School (tel.: 22894044).

### **Credit for Previous Coursework**

Admitted students can have the opportunity to transfer credits from similar classes taken in other universities. It is possible to transfer up to 60 ECTS (roughly equivalent to one year of coursework), upon approval from the Departmental Committee of Graduate Studies. Thus, all students admitted directly to the Ph.D. Programme are required to at least some of the relevant graduate-level courses (with a minimum of 30 ECTS). Students cannot be exempted from the comprehensive exam.

<b>Required Courses</b>	<b>ECTS</b>
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 (Prerequisite ECO 651 - 7.5 ECTS)	7.5
ECO 652 Macroeconomic Analysis II (Prerequisite ECO 652 - 7.5 ECTS)	7.5
ECO 653 Statistics and Econometrics II (Prerequisite ECO 653 - 7.5 ECTS)	7.5
ECO 688 Current Topics in Economic Research I	7.5
ECO 788 Current Topics in Economic Research II	7.5
<b>Elective Courses</b>	
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

#### Notes:

1. Students may replace up to two Elective Courses with graduate courses offered by other University Departments, subject to approval from the Departmental Council.
2. Students may replace up to one Elective Course with an advance undergraduate course offered by another University Department, subject to approval from the Departmental Council.
3. Any course considered by the Departmental Council 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.

#### Guidance

The Director of Graduate Studies is responsible for guiding doctoral students from the time of admission up to the selection of a research advisor. The research advisor follows each student's progress in research and other tasks, and provides the necessary guidance.

#### Research Stage

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

- a) They are required to attend in each semester at least 80% of the seminars of the Departmental Seminar Series and of the School's Brownbag Seminar Series. Attendance is confirmed by a faculty member who needs to sign the relevant document at the end of the seminar.
- b) They are required to present once a semester in the 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.

#### 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 teaching assistants. The Department also awards some grants and scholarships, 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 open questions of International Macroeconomics. Introduction to basic open economy inter-temporal models and the determinants of the current account. Review of the properties of the international business cycle with the goal of understanding international co-movement of macroeconomic variables. A look at international relative prices with the goal of understanding the degree of segmentation of markets across countries. A review of the main factors and mechanisms driving economic crises with a focus on the role of and inter-relation between international capital flows, credit expansions, real estate bubbles, overconsumption and the sovereign, and a look at macro-prudential and other policies that can be used to limit the frequency and consequences of such crises.

### **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. The first part studies individual behavior in the presence of uncertainty. The second part serves as an introduction to general equilibrium theory and its extensions, and discusses the theorems of welfare economics. The analysis covers both pure exchange economies and economies in which production is available and introduces the notion of the core of an economy. The third part focuses on problems of asymmetric information.

**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 665 Behavioural and Experimental Economics (7.5 ECTS)**

By the end of the course students should understand how findings from psychology can inform standard economic theory in order to develop better models of economic behaviour. Students should also become familiar with the use of experimental methods and the analysis of experimental data for the study of economic behaviour.

**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 675 Behavioural Insights for Policy (7.5 ECTS)**

Understanding the ways in which findings of behavioral sciences can help in better policy design by public institutions and other bodies, and in the systematic study of the impact of such policies on the society.

**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.



**ECO 688 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.

**ECO 691 Placement in Financial Organizations (7.5 ECTS)**

(Prerequisites: Successful completion of the compulsory courses of the 1st semester of the academic studies and at least 30 ECTS of the corresponding academic program that the student attends. Selection Criteria: Selection is based on the academic achievement of the student in the previous semester with minimum grade point average 6 /10 and the criteria set by the firm/organization.)

The objective of the placement in organizations is to enable students to acquire practical experience and applied knowledge in sectors or departments related to monetary and financial economics. Also, students will have the opportunity to develop communication and other skills.

**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

**• Eleni Aristodemou, Lecturer**

Theoretical and Applied Econometrics

Applied Industrial Organization

**• Andri Chassamboulli, Associate 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 – Lyssiotou, 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, Professor**

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

- **Philippos Louis, Assistant Professor**

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.

- **Christoforos Pissarides, Professor**

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

- **Nicos Theodoropoulos, Associate Professor**

Labour Economics, Econometrics.

- **Andreas Tryphonides, Lecturer**

Applied and Quantitative Macroeconomics, Econometrics

- **Nikolaos Tsakas, Assistant Professor**

Microeconomic Theory, Political Economy, Experimental Economics, Information Economics, Social and Economic Networks, Industrial Organization.

- **Dimitrios Xeferis, Associate Professor**

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

- **Marios Zachariadis, Professor**

Macroeconomics, Open Economy Macroeconomics, Economic Growth.

- **Nicholas Ziros, Associate Professor**

Microeconomic theory, General equilibrium theory

## **Contact Details**

### **Department Secretariat**

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## **ECONOMICS RESEARCH CENTRE**

### **General Information**

The Economics Research Centre (CypERC) belongs to the Department of Economics at the University of Cyprus. The Centre aims at high quality policy-oriented research in economics. The CypERC is financed by organisations in Cyprus and the European Union such as the Economics Research Council grants through competitive funding procedures, as well as monetary contributions from the Ministry of Finance, the Central Bank of Cyprus, the National Research Innovation and Promotion Foundation, banking institutions, government and other private institutions.

The Centre is managing a number of high-impact projects and has a team of experts and researchers to respond effectively and timely to economic policy questions and research needs in a rapidly changing economy. The Centre benefits from the expertise offered by established academics in Cyprus and internationally who participate in the Centre as Research Associates and Fellows. The Centre has hosted three prestigious Economic Research Council (ERC) grants as well as an ERC Chair, among others. In addition, the Centre aims at encouraging economists of high calibre to become involved in research on subjects of interest to the Cyprus economy. It also aims at serving as a channel for directing local and European research funds to economic research. Among the objectives of the CypERC is to study subjects of wider economic interest and publish articles in international academic journals as well as to contribute to economic policy formulation in Cyprus using the current state of the art techniques. Recent example is the Economic Impact Assessment of the National Recovery and Resilience Plan (RRP).

The research activities at the Centre are divided into the following categories:

- Economic Policy Modelling and Analysis
- Economic Activity Indices and Macroeconomic Forecasts
- Employment and Labour Conditions
- Financial and Banking Modelling and Analysis
- Income Distribution and Social Mobility
- Productivity and Competitiveness Analysis
- Welfare and Social Provision

The research output of the above is disseminated by publications distributed to a large number of electronic subscribers and used by economic policy makers. These publications are also placed on CypERC's webpage.

### **Research**

The Economics Research Centre (CypERC) produces rigorous analyses on issues of the Cypriot economy using novel and state-of-the-art methodologies and building upon the in-depth institutional knowledge of the local economy the Centre has acquired over the years. The analyses produced at the Centre are communicated to a wide range of audiences, including the scientific and business community, governmental organisations, NGOs, trade unions and the media. Research activities are divided into the following sectors:

#### **Microeconomic and welfare analysis**

The sector analyses topics regarding the economic welfare of households, the role of the state and productivity. Topical issues which are currently on the research agenda of the sector include the impact of social policy, the public-private pay gap in Europe, the effects of the tax system on differences in labour supply outcomes across countries, competitiveness and the construction of productivity indices for the Cypriot economy. The responsibilities of the sector also include the maintenance and updating of the tax-benefit microsimulation model for Cyprus which is part of the European model **EUROMOD** and the coordination of

the field research conducted for the collection of data for individuals aged 50 and over as part of the European research project [SHARE](#). The research outcomes of the sector address a wide audience including academics, researchers and policy makers and are published in the [CypERC Economic Policy/Analysis Papers](#), in peer-reviewed academic journals or as policy reports.

### **Macroeconomic Forecasts and Analysis**

The sector focuses on the development of models/tools for macroeconomic analysis of the Cypriot economy and the construction of forecasts for macroeconomic indicators, both at the aggregate and sectoral level. Details about the methodologies employed for macroeconomic analysis and forecasting are published in the [Economic Analysis/Policy Papers](#) series of the Centre.

GDP growth and inflation forecasts are published on a quarterly basis along with an analysis of recent developments and outlook for the Cypriot economy in the bulletin [Economic Outlook](#).

Moreover, the sector coordinates the programme for the measurement of economic confidence in Cyprus via the conduct of surveys among business executives in different sectors of the economy, and among consumers. Business and Consumer Surveys in Cyprus are carried out within the framework of the [Joint Harmonised EU Programme of Business and Consumer Surveys](#). The Surveys record business executives' and consumers' perceptions of current economic conditions as well as their expectations concerning the evolution of economic variables. The results of the Surveys are published on a monthly basis in the bulletin [Business and Consumer Surveys](#).

Research in the above two sectors is partially sponsored by the Central Bank of Cyprus, the European Union and the Ministry of Finance.

### **Employment**

This field of research at CypERC was pursued under the project "Employment in Europe" funded by the European Research Council (Advanced Grant) for the period 2013 - 2018 and coordinated by the Nobel Laureate Prof C. Pissarides. It focused on the study of employment and unemployment in Europe and examined issues such as: job creation by sector; wage inequality; public sector employment and wage subsidisation relative to the private sector; the compatibility of welfare state with EU targets for employment and the number of jobs vis-à-vis the hours worked for each job.

Project team members at CypERC: Vasiliki Bozani (PhD in Economics, University of Crete), Robert-Duval Hernandes (PhD in Economics, Cornell University), Neophyta Empora (PhD in Economics, University of Cyprus), Chrystall Kapetaniou (PhD in Management, University of Kent), Georgia Katsifaraki (Master in Business Administration, University of Cyprus), Paris Nearchou (PhD in Economics, University of Cyprus).

### **Other Research Projects**

**Research Grant category «Research Hubs» of the research program RESTART 2016-2020 with title «Mixed Data Sampling (MIDAS) models: Theory and Applications» funded by the Research Promotion Foundation.**  
**Research Coordinator: Prof. Elena Andreou**

The objective of the proposed project is twofold. The first objective is to develop novel econometric models that extend current state-of-the-art techniques for modelling the dynamic behaviour of economic time series which are useful in macroeconomic forecasting as well as economic policy making. The new models apply the Mixed Data Sampling (MIDAS) idea to develop further Factor type models with mixed frequencies which have

broad applications in macroeconomics and financial economics. The second objective is to develop novel econometric techniques for evaluating and monitoring financial indicators and structural changes which are useful in periods of financial distress and economic crises, and which can be early warning indicators of instability in economies. These techniques will develop sequential change-point tests which test on-line, with the arrival of new data, the stability of economic indicators, capitalizing on the mixed frequencies and properties of financial variables in producing early warning indicators of financial distress in economies or financial institutions. Forecasting and monitoring key economic variables is one of the main activities of financial and government institutions, economic forecasting agencies, investment companies and is useful to economic policy makers.

**Research Grant category "DIDAKTOR" of the research program RESTART 2016-2020 with title "Dynamic consumer behavior in car ownership" funded by the Research Promotion Foundation. Research Coordinator: Prof. Sofronis Clerides**

Understanding consumer behavior is an important task of economics. An automobile is the largest item most individuals will ever purchase (besides a home), hence economists have dedicated much effort in analyzing the factors that determine automobile purchase decisions. One of the limitations of existing research is that it relies primarily on aggregate data as there is no information on consumers' purchasing patterns over their lifetime. The proposed project aims to make a contribution to the literature by exploiting a unique dataset that records every vehicle registered in Cyprus since 1970. As of 1987, the dataset also records transfers of ownership and an identification number for the vehicle's owner. Thus we can track every vehicle's entire ownership history and each individuals' automobile holdings over time. A comprehensive descriptive analysis of this unique dataset will provide valuable insights into consumer behavior in durable good markets and will inform the development of tractable but also realistic dynamic models of consumer behavior.

**Research Grant of the research program RESTART 2016-2020, International Collaborations Dual Targeting with title "Group Factor Models" funded by the Research Promotion Foundation. Research Coordinator: Prof. Elena Andreou**

This project will develop novel models, tests and tools for Group Factor models to analyze big data of different categories/classes and/or of different sampling in order to provide new results in econometric theory and macro/finance applications which are useful for economists and economic policy makers. The project aims at establishing a strong research team between universities and financial institution policy makers Cyprus and the USA. The research project is funded by the Research Promotion Foundation (RESTART 2016-2020, International Collaborations Dual Targeting). The Principal Investigator of the project is Professor Elena Andreou.

**Research Programme "Composite Leading Indicator" funded by the Hellenic Bank, Research Coordinator: Prof. Elena Andreou**

The Composite Leading Indicator (CLI) or Leading Economic Index (LEI) for each country is one of the key indices monitored internationally by economists, policy makers, financial organizations and the public, since it provides leading information about the state of the economy. The CLI/LEI is an index designed to provide early signals of turning points in business cycles showing fluctuation of the economic activity around its long term potential level. State-of-the-art econometric techniques will be applied in order to develop a CLI/LEI index for the Cyprus economy comparable with the corresponding indicators in other countries. The research project is funded by Hellenic Bank.

**Research Grant of the Marie Skłodowska-Curie Individual Fellowships (SOCIENTITY\_PR, Grant agreement: 894128) "The Role of Social Identity on Preferences for Redistribution". Supervisor: Associate Professor Andros Kourtellis, Researcher: Dr. Kyriakos Petrou**

The goal of the action is to understand and uncover the role of social identity on the formation of preferences for redistribution. The fellowship entails the mobility of the researcher to the University of California, Los

Angeles for 24 months and his return to the University of Cyprus for 12 months. The research objectives of the proposed research are twofold: (1) Investigate the effect of social identity on preferences for redistribution and (2) Investigate the existence of multiple regimes and parameter heterogeneity on preferences for redistribution. The fellowship will result in high-quality research and targeted policy papers to eliminate several negative social phenomena impacting the academic community, the Cypriot and European policymakers, and the general public.

In addition to the five areas listed above, research at CypERC is further diversified through the study of specialised topics, such as long term energy planning in Cyprus, the evolution of car ownership in Cyprus, determinants of bank lending standards in Cyprus, technological progress, trade and conflict.

**Research Grant "SinnopSis" of the research program H2020-WIDESPREAD-2018-2020 with title "ERA Chair in Science and Innovation Policy & Studies" funded by Horizon2020. Research Coordinator: Prof. Zacharias Maniadis**

The challenge of understanding the processes of research and innovation requires strong interdisciplinary collaboration. The ERA Chair in Science and Innovation Policy & Studies aims to tackle this important challenge by bringing to UCY an interdisciplinary research team with the purpose of conducting cutting-edge research and facilitating cross-fertilization between departments. The focus of research is on understanding research institutions and the incentives they engender. SinnopSis will evolve into a highly international and outward-oriented research unit, organizing interdisciplinary activities that will enhance networking and international collaborations.

**Research Grant for an "Economic Policy Modelling Hub- Cyprus Recovery and Resilience Plan 2021-2026". Research Coordinator: Prof. Elena Andreou**

The project aims at developing current state-of-the-art models/tools for the evaluation and impact of economic policies/reforms which are important for the public sector and other organizations for policy-making as well as the monitoring of policies and new growth models.

The investment will be comprised of 3 actions:

- Action 1: Economic Policy Modelling Hub at the Economics Research Centre: New Models, Tools and Data for Economic Policy Analysis and Evaluation
- Action 2: Transfer knowledge and training of public sector employees at the Ministry of Finance. Upgrade the public sector tools and skills for economic policy analysis and evaluation (e.g. economic impact assessments, economic evaluation and monitoring of reforms)
- Action 3: Development of big data and data analytics (collection and linkages of different databases in collaboration with the government) for informing and monitoring economic policies, especially in real-time, also useful for modelling, nowcasting and forecasting.

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- Action 3: Development of big data and data analytics (collection and linkages of different databases in collaboration with the government) for informing and monitoring economic policies, especially in real-time, also useful for modelling, nowcasting and forecasting.

Additional information for the project and the Cyprus Recovery and Resilience Plan can be found at: [Cyprus Recovery and Resilience Plan 2021-2026](#)

**Director**

Elena Andreou, Professor

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