

Departmental

1. Department's academic profile and orientation

Findings:

- The department is extremely cautious in recruiting academic faculty with a strong record of publications, resulting in research-oriented department with top-tier scholars in accounting and finance.

Strengths:

- The recruitment policy fits the department mission. The department makes substantial attempts to hire academics with worldwide academic reputation.

Areas of improvement and recommendations:

- The department considers new programs taught in English. Such programs are standard in leading European universities and are expected to increase the number of international students.

Response:

Attracting international students is the department's priority. In a recent meeting the department has made internationalization one of its major goals. Understandably the ability to reach this goal is highly dependent on University regulations which currently do not allow department to offer undergraduate programs in English. However the Department is committed to address this constraint in the most effective ways possible as follows:

- a. Utilize the recent YUFE alliance by actively participating in the attempts to allow students from the participating universities to attend classes in any of these universities. The Young Universities for the Future of Europe alliance comprises of : the University of Antwerp, the University of Bremen, The University of Eastern Finland, Carlos III, Maastricht University, University of Rome, the University of Essex and the University of Cyprus. The Universities involved are scheduling frequent meetings within the year with the goal of creating an Accounting major within YUFE.
- b. The department in its recent meeting has also decided to more actively seek students from Greece. The department decided to launch an advertising campaign starting in next month in Greece by promoting the department in a number of popular online media (e.g., Kathimerini), and by attending the Educational Fairs in Greece which for this year have been rescheduled for June 28 – July 3. We are also now building a database with all High Schools in Greece and we will be sending them our promotional material within the next month.
- c. The department is still awaiting for the new Master program's final approval by the University. This program will be in English and will target foreign students. One of the major strengths of the program will be to offer students with degrees other than business the opportunity to redirect their interests in applied finance fields or Accounting. For the latter concentration in particular, the MSC provides students with a real economic benefit as upon its completion students will be able to claim up to 12 exemptions from ICAEW accounting exams and 9 exemptions from the ACCA accounting exams. Given that IFRS are used in more than 100

countries across the world, this concentration can be especially attractive to foreign students who are considering a career in Accounting. The department has appropriated funds to launch the promotional campaign once we receive the final approval.

Also note that this year the University of Cyprus is collaborating with Cass Business school in organizing a conference on financial analysts. The conference will take place on September 11 this year. We aim at making this conference an annual event.

2. Quality Assurance

Findings:

- Student at all the programs express high satisfaction level from the program and from the attitude of the instructors

Strengths:

- The academic faculty are a united and cohesive group working together to advance quality of research and teaching in the department.
- The global recognition of the department is straight forward, as indicated by the quality of publications, teaching excellence and engagement with the business world. Graduates of all the programs are employed immediately after graduation.

Areas of improvement and recommendations:

- PhD courses are mostly at the M.Sc. level because the vast majority of the students are master students. Additional PhD oriented courses will contribute to the PhD students, perhaps in collaboration with other departments of the school.

Response:

This issue also came up during the evaluation of our PHD program by DIPAE. The department is committed to enrich its program with more courses at the PhD level. We have thus recently added three new advanced PHD courses to the program's requirements :

- AFN 661: Advanced Corporate Finance, taught by Dr. Stylianos Papageorgiou;
- AFN 662: Advanced Asset Pricing
- AFN 663: Advanced Methods in Empirical Finance taught by Dr. Marios Panayides

The AFN 662 course will be taught this year by Prof. G. Korniotis from the University of Miami. For this year we have also arranged for Prof. H. Sapra from the University of Chicago to offer our PhD students a short course on the effects of disclosure in capital markets.

In addition, we have also upgraded two of our Master's courses to the PhD level (AFN 526 to AFN 626: Financial Analysis and Capital Market Research and AFN 527 to AFN 627 Theory and Methodology in Finance and Accounting). These will only be open to PhD students.

Note that due to the limited number of PHD students the department does not offer all of its PhD courses every year, but ensures that its PHD students will take them during their studies.

Also note that our PhD students are required to take at least two PhD level Econometrics courses from the Econ department. Due to the diversity of the areas at the PhD level we don't think that we can utilize any other PhD courses offered by ECON. The Business Administration department has only recently started a PhD in Management which is offered at a part-time basis. Again, we don't feel that there are enough synergies with this program that would justify a collaboration but will definitely collaborate with the Business department once they decide to offer a Phd in Management Science, a discipline that is closer to Finance.

3. Administration

Findings:

- Interviews with two administration employees and staff indicate that the operations of the department run smoothly.

Strengths:

- The small size of the department allows for effective informal solutions to operations issues.

Areas of improvement and recommendations:

- None.

4. Learning and Teaching

Findings:

- The department offers high quality B.B.A. and M.Sc. programs. The best students in Cyprus learn at the department. Students have 96% passing rate of UCY students and win global awards.

Strengths:

- The admission criteria (based primarily on national exams) blocks admittance of weak students, keeping the high quality of the programs and the students.
- The department is the first in Cyprus to offer students internship possibilities.

Areas of improvement and recommendations:

- The department can benefit from offering courses in English and a complete B.B.A.\M.Sc. program in English. Teaching in English will attract international students.
- The department is in the process of developing an Assurance of Learning system, as prescribed by AACSB. Using the system is expected to provide additional quality monitoring capabilities.
- The department proposed a self-funded master program in financial analysis taught in English. Such a program meets international students and effectively builds on the faculty expertise. It will also allow hiring additional international faculty. The committee believe that the university, the

school and the department will benefit from such a program and suggests offering this program as soon as possible.

Response:

We have already approved a new course that will be mandatory for all our undergraduates on “Financial Literacy”. The department decided to offer this course only in English so that our students will be able to improve their level of written and oral communication in English. Importantly, offering a mandatory course in English will also help tremendously our efforts of recruiting foreign faculty as this can be one of the courses they can teach to fulfill their teaching requirements.

We are still awaiting for the new rules to be finalized that would allow us to offer an undergraduate program in English. As mentioned above we are in the process of coordinating an undergraduate degree in Accounting within the YUFE alliance which will also be important in our efforts to attract more foreign students.

Our proposed MSC in English was on hold till the University had time to revise its rules on self-funded programs. These have been approved last month, so we are now in the process of sending our formal application for the final approval of the new program. We expect to have this approved before the end of the semester and we aim at launching the program in September 2021. Waiting for a year is important so that a) we have time to plan and launch our promotional campaigns that will include on-site visits to foreign universities, while b) we go through the necessary process of having the program approved by DIPAE.

5. Teaching Staff

Findings:

- A large proportion of the teaching load is performed by tenure-track academics, while 13 special scientists are hired from leading corporations and CPA firms. As a result of this mix, the learning process in all the programs is research oriented with a strong practical emphasis.

Strengths:

- Students are highly satisfied from the quality of learning and teaching.

Areas of improvement and recommendations:

- None.

6. Research

Findings:

- Highly active research environment, with numerous research seminars and visitors. Faculty members frequently present their research at conferences and publish in top-tier academic journals. Faculty members collaborate with peers in leading universities worldwide. The department organized the prestigious EAA conference in 2019.

Strengths:

- Mentoring scheme for young researchers by established researchers.
- Faculty members cooperate in joint research projects, which increases the group cohesiveness.
- No administration\service for lecturers\assistant professors.
- Financial incentives to publish in top journals.

Areas of improvement and recommendations:

- Allowing tenure-track faculty members to teach the annual load in one semester is necessary for promoting the research agenda of the departments. Teaching a full annual load in one semester is a common practice in top-tier research-oriented schools in both the US and Europe.

Response:

We had a number of meetings with the rector and the vice-rectors regarding the allocation of teaching loads. Although they did not seem to be willing to change the requirement for existing faculty they did make the concession of allowing our new recruits (and those who are expected to be more research productive) to teach in one semester.

7. Resources**Findings:**

- The available resources facilitate high quality research and teaching.

Strengths:

- The department has subscriptions for large set of financial databases, including WRDS, which are a must for empirical research. The access to these databases helps in attracting international scholars doing empirical research.
- Students can benefit from five computer labs, as well as supporting systems in the library.
- The department has resources for a valuable seminar series and visiting professors, which are important for advancing the department research.

Areas of improvement and recommendations:

- Greater emphasis should be given to inviting leading scholars and Editors of leading journals.

Response:

We agree. Prof. M. Panayides is devoted to the goal of inviting leading scholars and editors of leading journals to our seminar series. In addition to the following seminars that have already been scheduled we have arranged for talks by both Prof. Haresh Sapra, University of Chicago and Editor of JAR in June and by Prof. L. Shivakumar, London Business School and Editors of TAR and RAST in the coming summer.

Wednesday, February 12th, 2020
Dimitris Papadimitriou (LSE)

Wednesday, February 19th, 2020
Jeffrey Callen (University of Toronto)

Wednesday, March 4th, 2020
George Korniotis (Miami Business School)

Wednesday, March 11th, 2020 - Postponed for June
Maria Loumiotis (UT Dallas)

Wednesday, April 29th, 2020
Doron Avramov (Hebrew University of Jerusalem)

Wednesday, May 13th, 2020
Steven Ongena (University of Zurich)

Wednesday, September 23rd, 2020
Marcin Kacperczyk (Imperial College London)

Conclusions and final remarks

The committee received and read the department's application in advance and visited the department on December 9-10, 2019. Professor Irene Karamanou as the Head and the vice rector of the university of Cyprus presented the department and the university. We also met 11 out of 12 faculty members, teaching staff, students and administrators. All our questions and requests for additional information were addressed on timely basis.

The Department of Accounting and Finance is an exceptional research oriented. It is well structured and organized. Faculty members publish in top journals and the international recognition of the department is evidently. Particularly, the research environment encourages innovative projects, collaborations with leading international scholars, numerous research seminars by leading academics, visiting scholars, etc. The department fulfils its mission, especially in preparing professionals to serve the Cypriot economy. The quality of learning and teaching is high, and the students are deeply satisfied.

On one hand, the research environment is facilitated by a small group of scholars who perform state-of-the-art research. The department has been strict in recruiting only leading scholars with proven academic achievements over the last decade. On the other hand, the department is clearly below its critical mass. The committee encourages keeping up the high academic criteria for recruitment, but also suggests three directions to further develop the department.

First, both the university and the school will benefit from increasing the internationalization level of the department. This is particularly important given the increased competition in higher education in Cyprus. In order to accomplish greater internationalization, the committee suggests additional programs taught in English. Particularly, new master's and bachelor's programs in English will attract international students

and faculty. In that respect, the MSc program in financial analysis proposed by the faculty looks promising. Furthermore, the department may consider collaborations with leading U.S./European schools to create joint\ dual programs which offer joint\ dual degrees. Such joint\ dual programs already thrive in among other European universities. Teaching in English will also encourage hiring international scholars. We encourage the State to support the University of Cyprus on signing agreements with leading institutions around the world. The Department of Accounting and Finance have a vision and we should allow it to fulfill.

Second, the department is encouraged to generate attractive research-oriented conditions for leading scholars who consider joining the department as well as for existing faculty. Being able to teach in English is a must. The ability to teach a full annual load in one semester is critical in attracting new research-oriented faculty and retaining existing excellent academics.

Third, PhD graduates of the department have been employed by Warwick, Essex, Durham, Aston and Southampton. The department is encouraged to consider financially supporting outstanding Cypriot graduates of the MSc in Finance program to be educated in leading PhD programs in the US and the UK, as long as they are committed to return to the University of Cyprus.

Overall, the achievements of the department are impressive with promising prospects in the future.