

# Higher Education Institution's Response

Date: 25 January 2021

- **Higher Education Institution:**  
University of Cyprus

- **Town:** Nicosia

- **Programme of study  
Name (Duration, ECTS, Cycle)**

**In Greek:**

Μάστερ στα Νομισματικά και Χρηματοοικονομικά  
(1,5 έτος, 90 ECTS, Μάστερ)

**In English:**

MSc Monetary and Financial Economics (1,5 years, 90  
ECTS, Master)

- **Language(s) of instruction:** English
- **Programme's status:** Currently Operating

**The present document has been prepared within the framework of the authority and competencies of the Cyprus Agency of Quality Assurance and Accreditation in Higher Education, according to the provisions of the “Quality Assurance and Accreditation of Higher Education and the Establishment and Operation of an Agency on Related Matters Laws of 2015 to 2019” [N. 136 (I)/2015 to N. 35(I)/2019].**

## **A. Guidelines on content and structure of the report**

- *The Higher Education Institution (HEI) based on the External Evaluation Committee's (EEC's) evaluation report (Doc.300.1.1) must justify whether actions have been taken in improving the quality of the programme of study in each assessment area.*
- *In particular, under each assessment area, the HEI must respond on, without changing the format of the report:*
  - *the findings, strengths, areas of improvement and recommendations of the EEC*
  - *the deficiencies noted under the quality indicators (criteria)*
  - *the conclusions and final remarks noted by the EEC*
- *The HEI's response must follow below the EEC's comments, which must be copied from the external evaluation report (Doc. 300.1.1).*
- *In case of annexes, those should be attached and sent on a separate document.*

## 1. Study programme and study programme's design and development (ESG 1.1, 1.2, 1.8, 1.9)

### Findings:

The program is formally approved by the Department, School and Senate of the University of Cyprus subject to strict criteria regarding quality, fit, and overlap with other university programs. Program teaching is evaluated according to university policies, and there is a system in place for supporting instructors with limited previous teaching

experience but also for continuous improvement of teaching quality among experienced instructors. The university has strict policies for non-discrimination and facilities for students with special needs. All these conform to international standards and best international practices. The Department is in touch with public and private sector entities related to the topics of the program, with graduates, and other relevant stakeholders. The program goals, requirements and structure are clearly documented and available to prospective and current students.

The program consists of 90 ECTS, spread over three semesters, with 52.5 ECTS devoted to compulsory courses (7), 13.5-15 ECTS of electives (2 courses) and 24 ECTS devoted to Master Thesis. Admissions criteria are consistent with UCY and international standards and allow entry of graduates from different educational system with a bachelor's degree background. Assessment of learning is based on examinations and projects, with a minimum of two assessments necessary for each course grade, and clearly tracked and monitored. Learning outcomes, expected student progress, and course requirements are clearly specified, also in terms of ECTS units. The program reflects the four purposes of higher education of the Council of Europe. The resulting qualification (Master's degree) is clearly specified and conforms to international standards for this level.

### Strengths

*A list of strengths, e.g. examples of good practices, achievements, innovative solutions etc.*

The recent financial and fiscal crises in the European union have stressed the importance of integrating macroeconomics with financial economics in modelling and in policy design. A major strength of this program is that it operates on this interface and can potentially prepare students for the post-crisis work environment and needs. Specific strengths include:

- The quality of teaching personnel and their involvement in high-level research
- The quality of university facilities for teaching, learning, and student support
- The highly developed teaching evaluation and improvement system
- The fact that it is one of the relatively few programs internationally that combines good grounding in economic theory and methods with topical issues on the interface between macroeconomics and financial economics
- The potential to appeal to a wide range of international students, provided that suitable marketing strategies are implemented
- The potential to connect to public and private sector employers in the financial sector, broadly defined

### Areas of improvement and recommendations

*A list of problem areas to be dealt with, followed by or linked to the recommendations of how to improve the situation.*

The committee has the following recommendations to strengthen the program further and to utilize its full potential:

- The number of required courses (7/9) is higher than desired. It is advisable to limit the number of required courses to a core of 4-5, to cover the following fields of knowledge: Micro, Macro, Econometrics, Asset Pricing, Corporate Finance.
- Electives should be confined to fields directly relevant to the mission of the program. Possible areas include money and banking, international finance, different aspects of financial economics, big data, risk management, financial regulation, monetary policy and supervision, wealth management, household finance, etc.

We agree that the number of required courses is generally higher than desired. This reflects the need to ensure that the courses satisfy the university's minimum criteria in a program, which runs with a relatively small number of students in the last few years. We hope that soon we will be able to increase the number of students and provide more electives by reducing the number of required courses. As the EEC points out, the electives may include courses on money and banking, international finance, different aspects of financial economics, big data, risk management, financial regulation, monetary policy and supervision, wealth management, household finance. A course on Asset Pricing would indeed be a valuable addition to the program. We are working on identifying a suitable instructor. We have removed unrelated courses from the list of possible electives (we note that these were not offered anyway).

- Cross-listing of courses offered by other departments, especially in the School of Economics and Business, possibly in exchange for cross listing of Department of Economics courses, would facilitate the offering of a broader but also focused range of course offerings.

The EEC proposes that cross-listing of courses offered by other departments could facilitate a broader but also focused range of course offerings. Our Department already allows students to take courses from the Accounting and Finance Department. We certainly agree with the suggestion, and we will work on extending the cross-listing of courses with other Departments.

- The content of Master theses should be restricted to fields central to the program's mission. Thesis preparation can be assisted through a special "Master Thesis Seminar", where proposals and results are presented by the students and feedback is given.

We agree that Master theses should be focused on the central fields of the program's mission. This is generally the approach we follow. However, we agree with the EEC that introducing a seminar-type course where the students and results are presented, and feedback is given could provide more structure to the master theses. We are in the process of preparing a Master's Thesis Guide to help students navigate the process, under the supervision of the program coordinator.

- Include regular tutorials (e.g., one every second week) at least in the required courses, but also in electives, where possible.

We agree that preparatory training for incoming students and tutorials for the mandatory courses would be useful additions. Implementing this suggestion at this stage is difficult given the limited resources available to the Department and the small number of students. We hope to be able to offer them in the near future when the number of students can support them.

- Given the diverse backgrounds of students, it is useful to have (possibly recorded) preparatory lectures in Micro/Macro/Econometrics/STATA, that students will be encouraged to follow prior to the start of the program.

This is great idea. We have tried this in the past with some success. The main problem we faced then was the timing of the preparatory classes. We will definitely revisit it given the EEC's support for the idea.

- It is useful to distinguish two student tracks (part time and full time) and register students accordingly, with the possibility to switch between the two, subject to well-defined requirements.

University regulations do not make a formal distinction between full-time and part-time students. The majority of our students is part-time for at least part of the program; often times they start full-time but convert to part-time as they take on jobs.

- It is useful to consider introducing “practice electives” or “supplementary courses” with fewer hours, taught by PhD-holding instructors currently employed in the public and/or private sector. The purpose of these courses is not to replace teaching of theory and methods normally covered by university faculty but to illustrate best practices for applying theoretical and methodological knowledge to matters arising in policy design and in practice. Normally, instructors for such practice electives can be recruited at no cost, given the interest of PhDs in university teaching.

This another nice idea. Currently, we employ working professionals from public and/or private sector as special scientists to teach certain courses. However, this idea can be further extended to include more guest lectures or design “practice electives” as per the recommendation of the EEC. We will certainly look into this possibility.

- Special attention should be placed on marketing of the program to an international audience of prospects. This should include an attractive and easily accessible website, use of social media, open days (also for online access), information meetings with potential employers, appointment of a program administrator (possibly in combination with other university programs) who will coordinate and implement marketing and communication efforts. The planned accreditation through AACSB should also feature prominently in such marketing strategies.

Certainly, marketing of the program to an international audience of prospects is one aspect that we need to put more effort. We thank you for these recommendations. These will be very useful as the program switches completely to the English language and is open to a new audience.

- Securing of scholarships for deserving students, e.g., through private sector donations (“Bank of XX

scholarship”, etc.).

Securing scholarships for promising students is a good idea. We will pursue this idea.

- Building an involved and active alumni network through use of social media (Facebook Group) as a means to publicize the program, encourage interviewing of new graduates by employers of alumni, and improving preparation of students for entering the job market and starting a career (learning from the mistakes and suggestions of graduates).

We could not agree more that building an involved and active alumni network is really important. While we have made some steps for the creating such an alumni network, more work needs to be done. This is something that the University as a whole has taken on recently and we will work in that direction as well.

**Please select what is appropriate for each of the following sub-areas:**

<b>Sub-area</b>		<b><i>Non-compliant/ Partially Compliant/Compliant</i></b>
<b>1.1</b>	Policy for quality assurance	Compliant
<b>1.2</b>	Design, approval, on-going monitoring and review	Compliant
<b>1.3</b>	Public information	Compliant
<b>1.4</b>	Information management	Compliant

## 2. Teaching, learning and student assessment (ESG 1.3)

### Findings:

The process of teaching and learning follows those of the University of Cyprus, an internationally recognized research university. Instructors are active researchers and incorporate state-of-the-knowledge research in course teaching. Students are encouraged to develop working knowledge of theory and applications, current econometric, experimental and related research methods, and to apply them to relevant class projects, culminating in the Master's thesis. Student needs and feedback are monitored and routinely incorporated in teaching. The program allows both full-time and part-time attendance, in response to student career choices. At least working students have the possibility to apply new knowledge and methods to their practical work as they progress through the courses. Assessment is fully in line with international university standards and best practices, and it reflects the learning goals of the program.

### Strengths

*A list of strengths, e.g. examples of good practices, achievements, innovative solutions etc.*

The committee identified numerous strengths, including the following:

- A process of teaching and learning that is in line with best international practices in university graduate programs
- Strong preparation for careers in the public and in the private sector, including central banks, ministries, commercial banks, and other financial companies
- Student assessment in full compliance to international university standards and in alignment to learning goals

### Areas of improvement and recommendations

*A list of problem areas to be dealt with, followed by or linked to the recommendations of how to improve the situation.*

The committee makes the following recommendations for improvements:

- Greater focus on in-course applications of theory and methods, e.g. by introducing tutorials and expanding projects and problem sets
- Requiring practical training (internship) for non-working students, combined with clear requirements for recognizing current work in the place of this internship
- Considering introduction of Saturday classes to replace at least some of the late-evening teaching

**Please select what is appropriate for each of the following sub-areas:**

Sub-area		<i>Non-compliant/ Partially Compliant/Compliant</i>
2.1	Process of teaching and learning and student-centred teaching methodology	Compliant



2.2	Practical training	Compliant
2.3	Student assessment	Compliant

Department response:

We thank the EEC for these comments and recommendations.

Following their recommendation of the EEC, we have appointed a coordinator for the program. The Graduate Studies Committee, under the leadership of the coordinator, will be responsible for improving the program by considering a series of changes to make it more attractive to both full-time students and working professionals. The Committee will consider the following:

- Introduction of tutorials
- Expansion of problems and projects that will enhance the empirical skills, hand-on-experiences, and real-life economic situations with case studies of the students.
- Practical training/internships
- Placement
- Introduction of Saturday class / intensive course work for shorter time.
- Reconsider the list of elective courses by offering more relevant courses
- Improved alumni networking and better use of alumni expertise

### 3. Teaching Staff (ESG 1.5)

#### Findings:

The University follows international best practices and a clearly described legal framework in recruiting new faculty and in tracking faculty development, including through a tenure-track system for junior faculty. The number of teaching staff involved in the program is adequate (with a student to faculty ratio of about 20), and program staff members are normally members of the regular university faculty, assisted by graduate students. As all university faculty members involved are active in research, the program combines recent research findings and insights with state-of-the-art teaching methods.

#### Strengths

*A list of strengths, e.g. examples of good practices, achievements, innovative solutions etc.*

The committee found a number of strengths, but would like to highlight the following:

- Combination of state-of-the-art research and teaching methods
- Strong methodological and quantitative content
- Innovative application of new teaching methods in some courses (e.g., Microeconomics, where experimental methods are introduced; Micro and Macro courses incorporating financial press articles and current policy issues, etc.)

#### Areas of improvement and recommendations

*A list of problem areas to be dealt with, followed by or linked to the recommendations of how to improve the situation.*

The committee wants to reiterate the importance of allowing students to implement methods in practical applications and in hands-on experiences (e.g., projects and labs)

We thank the EEC for these comments and recommendations. Our responses to the recommendations have been recorded in Section 2.

**Please select what is appropriate for each of the following sub-areas:**

Sub-area		<i>Non-compliant/ Partially Compliant/Compliant</i>
3.1	Teaching staff recruitment and development	Compliant
3.2	Teaching staff number and status	Compliant
3.3	Synergies of teaching and research	Compliant

#### 4. Students

(ESG 1.4, 1.6, 1.7)

##### Findings:

The student admission requirements have been found to be clear and in line with the criteria set by the University of Cyprus, which in turn comply with best international university standards. These are clearly communicated by the Department to prospective students.

The EEC observed that the Department and the Master program have policies and mechanisms in place to ensure development of students. Well-articulated and published regulations regarding student recognition are also in place.

##### Strengths

*A list of strengths, e.g. examples of good practices, achievements, innovative solutions etc.*

Adherence to international university practices.

##### Areas of improvement and recommendations

*A list of problem areas to be dealt with, followed by or linked to the recommendations of how to improve the situation.*

None.

We thank the EEC for these comments.

Please select what is appropriate for each of the following sub-areas:

Sub-area		<i>Non-compliant/ Partially Compliant/Compliant</i>
4.1	Student admission, processes and criteria	Compliant
4.2	Student progression	Compliant
4.3	Student recognition	Compliant
4.4	Student certification	Compliant

## 5. Resources

(ESG 1.6)

Due to the Covid-19 pandemic and travel restrictions, the EEC did not have the opportunity to visit the premises of University of Cyprus in Nicosia. The view of the EEC related to facilities, teaching, physical and human support resources is primarily based on the internal report, the videos links provided, discussions with the faculty, and personal experience of EEC members. Overall, the EEC believes that University of Cyprus offers entirely adequate resources and a wide range of services to both students and teaching staff (e.g., access to library material also online, IT infrastructure, administrative support, career services, counseling and mental health support, sports facilities). This especially applies to the library facilities that feature a wide range of sources (e.g., books, e-books, journal databases, etc) from reputable publishers. The School and the Department also offer access to specialized databases and to statistical and econometric software related to the learning goals of the program. In terms of human capital support, the Department and the University offer opportunities for internationally recognized research, conference attendance, sabbaticals, research visits and seminar series. There is an adequate number of experienced and well-educated staff that supports the smooth operations of the program under evaluation.

### Strengths

*A list of strengths, e.g. examples of good practices, achievements, innovative solutions etc.*

The EEC would like to stress the following:

- Members have formed the clear impression that the leadership team of the Department is committed to providing a high-quality program in the important interface of macroeconomics and monetary and financial economics, and to enabling students to seek rewarding careers in the public and private sector.
- In terms of personnel and staffing, the EEC also notes the ethos and zeal of the supporting staff to recruit and educate students from diverse backgrounds and to cater to any special needs relevant for the completion of the program and launch of a career.
- From the discussion with the faculty and supporting staff, the committee noted that the Department was able to migrate teaching activities online when circumstances related to the pandemic dictated so. This is a testimony to the resilience of the university and of its people. It can also point to ways of better communication with an international body of potential students and of graduates in the future.
- The library exceeds expectations in a university environment and serves as a focal point of knowledge for students, faculty, and the broader community.

### Areas of improvement and recommendations

*A list of problem areas to be dealt with, followed by or linked to the recommendations of how to improve the situation.*

No further suggestions in this part.

We thank the EEC for these comments.

**Please select what is appropriate for each of the following sub-areas:**

<b>Sub-area</b>		<b><i>Non-compliant/ Partially Compliant/Compliant</i></b>
<b>5.1</b>	Teaching and Learning resources	Compliant
<b>5.2</b>	Physical resources	Compliant
<b>5.3</b>	Human support resources	Compliant
<b>5.4</b>	Student support	Compliant

## **6. Additional for distance learning programmes** *(ALL ESG)*

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## **7. Additional for doctoral programmes** *(ALL ESG)*

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**8. Additional for joint programmes**  
*(ALL ESG)*

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## **B. Conclusions and final remarks**

This program, especially in its new incarnation in the English language, has great potential to appeal both to Cypriot and international students interested in careers in central banking, finance ministries, regulatory and policy authorities, and in the private financial sector. In the era following the financial and fiscal crises, the focus of this program should be attractive to many but also needs to be communicated, locally and internationally, with targeted marketing efforts.

The EEC has identified a number of strengths in the various sub-areas listed above but has also made concrete recommendations for specific improvements with a view to meeting these objectives. Rather than summarizing or selecting a subset of these recommendations, we prefer to refer the reader to the bullet lists in the relevant sections of this report, as we believe that all recommendations deserve to be taken into account.

Our overall conclusion for purposes of this evaluation is that the program should be considered COMPLIANT with the recommendations listed in the relevant sections above.

All the comments above have been addressed in the previous sections. We will strive to implement their recommendations.

We are grateful to the EEC for taking the time to understand our program, to identify its strengths and weaknesses, and to offer many recommendations for improvement. We fully endorse the EEC's work and commit to follow its recommendations to improve the quality of our research programs, both for the benefit of our students and to enhance our Department's standing in both the local society and the international research community.

**C. Higher Education Institution academic representatives**

<b><i>Name</i></b>	<b><i>Position</i></b>	<b><i>Signature</i></b>
<b>Sofronis Clerides</b>	Professor and Department Chair	
<b>Andros Kourtellos</b>	Associate Professor, Department Vice Chair and Director of Graduate Studies	

**Date:** 25 January 2021