

## Memorandum for PhD degree students

### General information on the Swiss Finance Institute PhD program in Lugano

The Swiss Finance Institute (SFI) PhD Program in Finance is targeted towards the pursuit of academic excellence. It aims at providing an intellectual environment and a curriculum comparable with the top PhD programs in North America and Europe. The SFI PhD program operates at the three Swiss Finance Institute centers in Geneva/Lausanne (Léman), Lugano, and Zurich.

The curriculum comprises *two phases*: one preparatory year of intensive coursework followed by three years of advanced studies and research. The Program covers a wide range of subjects including Finance Theory, Corporate Finance, Empirical Asset Pricing, and Econometrics. There is a clear focus on the economic foundations of Finance and all courses are taught by SFI faculty and visiting faculty from Europe, and North America. The Program offers the ideal framework for successful and inspiring PhD studies in Finance. The applicants should have a strong interest in research activities and the desire to pursue an academic career. The main goal of the PhD Program is to train young scholars for academic positions in finance in top universities. Some graduates of the PhD program also work in research positions in the finance industry or the public sector. The ideal applicant's academic record will prove a solid background in Economics and Finance. However, additional prerequisite courses at the beginning of the PhD program might compensate for weaknesses in any of these areas.

The following information is specific to the SFI PhD program offered at the Università della Svizzera Italiana (aka University of Lugano).

### First phase: PhD courses and exams

The PhD Program in Finance starts with a curriculum of PhD courses (core courses) taught in part by local Faculty and in part by external faculty. The aim of this intensive course-work is to provide all candidates with a broad and complete education covering the basic building blocks and conceptual tools of finance.<sup>1</sup> In addition, a large number of courses in related fields are offered by partner academic institutions in the Swiss Finance Institute PhD program.<sup>2</sup> These courses can be integrated into the course program with the approval of a student's thesis supervisor. An extensive selection of Master level courses is available at the University of Lugano for PhD candidates wishing to complement their education during the first phase of their curriculum.

There will be examinations following each core course. These are mandatory for those students enrolled in the SFI program. Grades are expressed on a scale of 1 to 10, with increment units of 0.5. The highest grade is 10 and the passing grade is 6.

As a conclusion of the first phase, eligible students must pass a comprehensive exam to be admitted to the second phase.

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<sup>1</sup> The current list of courses may be found at <http://www.istfin.eco.usi.ch/dottorato.htm>

<sup>2</sup> The current list of courses may be found at [http://www.swissfinanceinstitute.ch/phd\\_program/phd\\_courses.htm](http://www.swissfinanceinstitute.ch/phd_program/phd_courses.htm)

The following rules apply to the first phase:

1. To be admitted to the comprehensive exam, students are allowed to fail **at most two core courses**. Students who fail more than two core courses are not admitted to the comprehensive and, therefore, excluded from the PhD after the first year. No re-take is allowed during the first year.
2. The comprehensive exam consists of questions related to all core courses. To pass the comprehensive exam, the students need to a grade of 6 or above. No re-take of the comprehensive exam is allowed. Students failing to pass the comprehensive are excluded from the PhD after the first year.
3. The students who fail less than three core courses and pass the comprehensive exam need to make up for the missing credits during the second year. The missing credits can be recovered by re-taking the core exams or by taking advanced classes. This choice has to be made in agreement with the student's thesis supervisor.

### **Second phase: PhD Research**

The second phase of the program typically lasts three years. Upon admission to the second phase of the program, Swiss Finance Institute PhD students select a thesis topic and are supervised by the thesis advisor of their choice (upon agreement with the professor). The choice of thesis advisor is distinct from the student contractual teaching or research assignment (i.e. a student can be the research assistant of a professor and be supervised by another). The SFI network also guarantees contact with PhD students from other Swiss Universities and provides a stimulating research environment. In particular, in this second phase of the PhD program, students are encouraged to participate in the annual PhD workshop at the Study Center Gerzensee. In addition, the SFI institutions offer a large variety of specialized advanced courses. Their goal is to help students acquire the specialized skills that are most relevant to their thesis work. The selection of the appropriate specialized PhD courses for each student will be made jointly with his/her thesis supervisor.

During the **second year**, students are also required to write a **term paper** on a topic of their choice. Around June of the second year, the paper is submitted to the thesis supervisor and the PhD director who is supposed to provide feedback in written form. Students are required to present the term paper in front of the faculty during the summer.

To summarize, the following rule applies to second year students:

1. Second year students are expected to write a term paper on a topic that is selected in agreement with their thesis supervisor. A completed draft of the paper has to be submitted to the supervisor by the beginning of June of the second year.

2. The student shall present the before the end of the second year. The paper has to respect good quality standards, which are established by the thesis supervisor and the PhD director. In case of poor performance in the term paper and with the approval of the PhD director, the supervisor can decide to terminate the relationship with the student. The student can turn to the University Doctoral Committee to be assigned another supervisor, if that is possible. If it is not possible to find a different supervisor, the student can be excluded from the PhD program.

During the second phase, typically in the fourth year, students are encouraged to spend a semester abroad (e.g. in top U.S. universities). Funding for the visiting period can be provided by the Swiss National Science Foundation (SNSF) on a competitive basis.

The PhD thesis can be written in three parts/essays. The PhD degree in Finance is awarded by the University upon defense of the thesis in front of a jury, which includes external faculty members.

The additional SFI Finance PhD label is granted to students who comply with the SFI curriculum requirements (30 credits successfully achieved, success in the comprehensive exam, approved term paper). In addition, to obtain the SFI PhD label, the following requirements apply:

1. The thesis advisor must be an SFI faculty member at the moment of the defense;
2. The thesis jury must count at least three members (in the case of co-advisors, the jury must count at least four members);
3. The thesis jury must count at least one SFI-chaired professor;
4. One member of the jury must be an external examiner.

Throughout the PhD program, and especially during the research phase, PhD students are required to attend the finance research seminar series, in which internationally recognized researchers from top universities around the world present their work. They are also required to present their thesis in a brown bag seminar before the formal thesis defense.

The ultimate goal of the second phase is to produce research aiming at top finance journals (e.g. Journal of Finance, Journal of Financial Economics, Review of Financial Studies).

### **Financial Information**

The funding is guaranteed to the admitted students for the first phase by SFI. Funding for later years is contingent on suitable progress of the student's research and it takes the form of a salary paid by the University for work as teaching or research assistant.

The PhD student adhering to the SFI program will receive an employment letter/contract from the University. It is possible that a student will be also employed as an assistant, which will be clearly indicated in the contract.

The first year of the PhD program requires a full-time commitment to studies. To make this possible, the Swiss Finance Institute provides (tax-free) yearly grants of SFR 30'000 (plus adjustment for the cost of living) to admitted candidates. Tuition is also covered. In the second year, as the course load lightens and the emphasis turns to research, the funding is typically provided by teaching or research assistantship at the University. During or after the first year, students are encouraged to contact the PhD director to organize their funding in the second phase.

### **Working conditions and logistics**

Since the first year, PhD students receive a personal desk in dedicated offices at the University. Students have access to a desktop PC with a personal account, which may be used on any desktop PC of the University thanks to the remote-access network configuration. Free wireless access is guaranteed throughout the campus for students who prefer using their own laptop. The dedicated SFI offices are also equipped with telephones, and copy-print-scan-fax machines are available on all floors. PhD students have access to a wide variety of databases through WRDS, and to a fast in-house server for extensive computations. The working language of Swiss Finance Institute PhD Program in Finance is English. Knowledge of Italian is not necessary.

### **FAQs for prospect students**

#### **Is the GRE required for the program?**

The GRE is not required for the program, however any good GRE or GMAT score will be taken into consideration and will significantly increase your chance of admission to our PhD program. Hence, you are strongly encouraged to submit these scores, especially the GRE.

#### **How about financial support offered by the PhD program?**

The students selected for the first phase receive an annual scholarship of 30'000 CHF per year (plus cost of living adjustment) to cover living expenses. Tuition is also covered.

#### **Can I work during the PhD program?**

The course work in the first phase is very intensive and requires a 100% involvement from students. During the second phase students typically work as research or teaching assistants. Compensation for these positions is comparable to first year funding and it also covers tuition.

#### **Who should I contact if I require further information about the PhD program?**

You can contact the program coordinator, Ms. Katia Muè ([katia.mue@usi.ch](mailto:katia.mue@usi.ch)) for administrative questions. For academic questions, you should contact the program director, Prof. Laurent Frésard ([laurent.fresard@usi.ch](mailto:laurent.fresard@usi.ch)).

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