

Memorandum for the Swiss Finance Institute PhD in Finance at USI

General information on the Swiss Finance Institute PhD program at USI

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 (hereafter USI).

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. This intensive coursework aims to provide all candidates with a broad and complete education covering the basic building blocks and conceptual tools of finance.¹ In addition, a large number of courses in related fields are offered by partner academic institutions in the Swiss Finance Institute PhD program.² These courses can be integrated into the course program with the approval of a student's thesis advisor. 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.

¹ The current list of courses may be found at <https://www.ifin.usi.ch/phd/program/>

² The current list of courses may be found at 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 some of the core courses. To pass the comprehensive exam, the students need to have 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 advisor and the PhD director.

Second phase: PhD Research

The second phase of the program typically lasts four 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's 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 advisor.

During the **second year**, students are also required to write a **solo-authored term paper** on a topic of their choice. Around June of the second year, the paper is submitted to the thesis advisor 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 around the beginning of the third year.

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 advisor. A completed draft of the paper has to be submitted to the advisor by the beginning of June of the second year.

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

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

The expected output of the second phase is to produce high-quality research that will allow the students to excel on the job market. For students targeting the academic job market, the ideal point of arrival of a job market paper should be the publication in a top finance journal (e.g. *Journal of Finance*, *Journal of Financial Economics*, *Review of Financial Studies*, *Review of Finance*). The job market paper for the academic market is typically solo-authored.

Duration of the PhD studies and funding priority

The total duration of the PhD studies should typically be five years. In exceptional circumstances, the students should discuss with their advisor and the PhD director the possibility of prolonging the studies into the sixth year. In general, the University regulations prevent doctoral studies longer than six years.

The students who do not envisage going onto the academic job market are encouraged to complete their PhD studies earlier rather than later.

Funding is guaranteed to the admitted students for the first phase by USI. 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 a teaching or research assistant.

Funding is not guaranteed in the sixth year. Only in the case of very deserving students, will the faculty try to provide sixth-year funding, which will be, in any case, subject to availability. In general, priority in funding will be given to students in the earlier years of the second phase of the PhD.

PhD thesis

The PhD thesis is typically 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 at least one faculty

member from another university.

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 a faculty member in another university.

Additional Requirements

Throughout the PhD program 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.

Students are also required to present their thesis in a brown bag seminar before the formal thesis defense.

Starting in the third year, students who are not yet on the job market are required to present their research ideas every semester to the faculty of the Institute of Finance. Ideally, several presentations should be held on the same day in a brown-bag format and the students are responsible for the scheduling (rooms, invitations, verifying faculty availability, etc.) The goal of these presentations is to show that the students are active in research. These presentations will follow a 15-minute format and will combine a summary of the relevant literature, the research question, the proposed approach to address the question, and potential preliminary results.

These presentations will be a key metric used by the faculty to evaluate the student's progress in their PhD studies. The possibility of continuing into the sixth year, for example, will also depend on the good performance in these presentations.

Employment Details

The PhD student adhering to the SFI program will receive an employment letter/contract from the University. A student may be also employed as an assistant, which will be indicated in the contract.

The first year of the PhD program requires a full-time commitment to studies. To make this possible, USI provides (tax-free) yearly grants of SFR 30'000 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 obtain information about 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 laptops. 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 the Swiss Finance Institute PhD Program in Finance is English. Knowledge of Italian is not necessary.

FAQs for prospective 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 coursework in the first phase is very intensive and requires 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) for administrative questions. For academic questions, you should contact the program director, Prof. Francesco Franzoni (francesco.franzoni@usi.ch).

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