

# **PhD Program Handbook**

**Department of Finance  
Tippie College of Business**

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## Table of Contents

1. Introduction
2. Mission
3. Admissions
4. Program Requirements
5. Evaluation of Student Progress
6. Faculty Advising
7. Financial support
8. Sample Plan of Study

# 1. Introduction

This document is a guide for students pursuing, or wishing to pursue, a PhD degree in the Department of Finance at the Tippie College of Business, the University of Iowa. It describes admissions, program requirements and policies, and financial supports. It should be considered a supplement to the *Manual of Rules and Regulations of the Graduate College* and the *General Catalog* of the University of Iowa. The latest versions of these documents can be found online at the website of the Graduate College, <https://www.grad.uiowa.edu/academics/rules-and-deadlines/manual>, and the Registrar's website, <http://catalog.registrar.uiowa.edu/>, or through the University's main web site, <http://www.uiowa.edu>. Additional information about the department, including the most recent version of this document and the contact information of the Departmental Executive Officer, Director of Graduate Studies, and PhD Program Coordinator, may be found at the department's site, <https://tippie.uiowa.edu/finance>.

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## **2. Mission**

The mission of Iowa's Ph.D. program in Finance is to train future scholars for placement in top research universities. We develop our students to conduct the highest quality research, teach to standards of excellence, and provide valued services to society. Graduates of our program are placed in tenure-track positions at accredited universities around the world, where they continue to engage in top-level scholarship, teaching, and service.

## **3. Admissions**

Admission into the finance PhD program is highly competitive. The program admits two to four students each year. In a typical year, there are approximately 12-16 students in the program, at various stages. We keep the faculty-student ratio to approximately 1:1, to maintain a high standard of education and mentoring.

The program takes the following into consideration when evaluating applicants for admissions:

- 1) GMAT or GRE score
- 2) Undergraduate and/or graduate GPA
- 3) Statement of purpose
- 4) Resumé
- 5) Three letters of recommendation
- 6) (Optional) evidence in support of an applicant's academic potential, interest, or experience; for example, research papers and research assistant experiences
- 7) Interviews conducted virtually or in person

The program welcomes applicants with diverse educational background; prior training in finance is not required. Graduate degrees are helpful but not required. However, we strongly consider whether applicants' career goals and research interests are aligned with our program strengths.

Details of the application process can be found at the Tippie College of Business web site at <http://tippie.uiowa.edu/phd/>. Applications are accepted only for the fall semester and are due by

the deadline specified by the university (currently, January 15). The department does not offer deferred admission; an admitted student who does not matriculate in the academic year following admission must reapply for the following fall semester if they wish to be reconsidered.

## **4. Ph.D. Program Requirements**

This section outlines basic requirements for the completion of the finance PhD program. The requirements described here are in addition to the University-wide requirements for the PhD degree described in the *Manual of Rules and Regulations of the Graduate College*.

These requirements help students and their advisors effectively manage student performance in the program and set goals that will enable student success. However, it is noted that there may be a difference between fulfilling the requirements for earning a degree and preparing oneself to meet one's career goals. To be competitive for positions at research universities, students must have significant involvement in multiple research projects that will result in publication. Because students' goals are different, formal requirements for research projects are not promulgated here. Furthermore, while these requirements are meant to enhance students' management of their performance in the program, students need to be proactive, and work closely with their advisors, to make sure that both formal and "unofficial" goals are met.

A student may request to waive or modify a requirement if he or she feels there is compelling reason to do so. Waivers or modifications may be approved provided: (1) the case for the proposed deviation is presented in writing; and (2) the student's advisor and the Ph.D. director both agree to the modification.

### **4.1 Courses**

The Finance Department offers the following core (required) courses at the PhD level:

- FIN7110 Finance Theory I
- FIN7120 Seminar in Corporate Finance
- FIN7130 Finance Theory II

- FIN7140 Advanced Empirical Finance
- FIN7850 Seminar in Finance

The finance PhD student must complete all finance core courses during their first two years in the program. FIN7850 corresponds to the requirement for attending departmental research seminars (also see Section 4.2. Research Seminars); students in their first two years must register for this course every semester. Students in their third year are encouraged to re-register for FIN7120 Seminar in Corporate Finance, FIN7130 Finance Theory II, and FIN7140 Advanced Empirical Finance, and to submit term papers for each course. The work for these term papers can be related to that for the third-year research paper.

The following are considered the core inter-departmental courses:

- STAT4100 Mathematical Statistics I
- STAT4101 Mathematical Statistics II
- ECON5805 Statistics for Economists
- ECON5800 Econometrics
- ECON5810 Applied Econometrics
- ECON5115 Fundamentals of Microeconomics

If a student is admitted into the program with sufficient prior coursework related to the inter-departmental core courses, he or she may seek the approval of the PhD director to be exempted from some of these courses.

In addition, students who enter the program with insufficient background in finance at the Master level will be required to take an additional Master level course in the Fall and Spring semesters of the first year.

Finally, the finance PhD student can select from a wide range of elective courses offered by departments such as accounting, business analytics, economics, and statistics.

Students must maintain an average GPA of 3.0 or above in any given semester. The minimum grade required for the core courses is B. The minimum grade required for the elective course is C. Failure to meet the minimum grade requirement may result in probation or termination. Please refer to Section 5.2, Failure to Make Progress, for details. For graduation, the PhD degree requires a minimum of 72 semester hours of coursework (including transferred credit hours).

#### ***4.2 Research seminars***

All PhD students, regardless of their stages in the program, are expected to attend departmental research seminars on a regular basis. The course FIN7850 Seminar in Finance represents the requirement for attending departmental research seminars; students in their first two years must register for this course every semester. Missing a substantial number of seminars will result in a grade of failure for the course.

When an outside speaker is invited to campus, a separate meeting between PhD students and the speaker is arranged where possible. Attendance at these meetings is also required. In the event that a student has a legitimate reason for missing a seminar or a meeting with the speaker, he or she should inform the PhD director in advance.

#### ***4.3 Research Papers and Presentations***

Students are required to complete at least one research paper during each of the first three years in the program. The due dates for the research papers are typically during the summer after an academic year.

##### ***First-year research paper***

The paper to be completed by the end of the first year could be either a comprehensive survey in nature or be a product of original research. An acceptable survey paper, however, must contain critical evaluation of existing work in the field and detailed suggestions for further work. Although not mandatory, students are encouraged to seek the advice of a faculty member when selecting the

research topic and conducting the research. The paper is evaluated by the PhD director and the student's advisor or a faculty member familiar with the topic covered by the research paper.

### ***Second-year research paper***

Students are required to submit a substantial research paper at the end of the second year. The paper should be supervised by a faculty advisor. The second-year paper is expected to represent original research. The paper is evaluated by three faculty members – the student's advisor, the PhD director, and a third faculty member designated by the PhD director.

### ***Third-year research paper***

The paper to be completed at the end of the third year should represent significant original research. It should be supervised by a faculty advisor and must be judged satisfactory by the advisor. Frequently the third-year paper will form the core of the doctoral thesis. Hence, it is important to think carefully about the choice of the topic and to aim for a timely completion of the third-year paper. The paper is evaluated by four faculty members: the student's advisor, another faculty member selected by the student, the PhD director, and another faculty member designated by the PhD director (possibly an external evaluator).

### ***Presentations***

Students are required to present their second-year and third-year papers at departmental research seminars or at alternatively scheduled PhD student seminars. The presentations are scheduled by the PhD director, and should be done during the academic year immediately after due dates of the papers. The presentations are evaluated collectively by the PhD director, the students' faculty advisors, and faculty members attending the seminars.

### ***Unsatisfactory Research Paper or Presentation***

In the case that the research paper is considered unsatisfactory by the grading committee, the student will be given a chance to resubmit a paper within a specified time frame. If the presentation is evaluated as unsatisfactory, the student must schedule a second presentation within a specified time frame. If the resubmitted paper or the second presentation fails to pass,

the student is considered as failing to make progress, which will result in termination from the program. Please refer to Section 5.2, Failure to Make Progress, for details.

#### *4.4 Qualifying Examinations*

##### *Comprehensive Exams*

The comprehensive exams are taken after the second year and after completion of all core courses in economics, finance and statistics. The exams are typically held during August or early September. The exams consist of three parts. The first two parts are close-book written tests on content covered by the core finance PhD courses. The third part is a take-home exam involving the writing of referee reports on others' papers.

The comprehensive exams are evaluated by the PhD director and a departmental comprehensive exam committee. In the case of borderline pass/fail performance, the student may be required to appear for a further oral examination. In the event of a failure, the department has the option of permitting the student to retake the exam **once only**, not less than four months after the original exam. Failure to pass the exam at the second time will result in termination from the program.

##### *Minor Qualifying Exams*

Minor is not required, but highly encouraged for students in the finance PhD program. Students may elect to minor in a range of disciplines, such as Accounting, Business Analytics, Economics, and Statistics. A minor requires a minimum of 6 semester hours of coursework in the minor discipline(s). Minor in a single discipline is subject to the examination requirement of the appropriate department. Students who choose to minor in Economics or Statistics should take the minor qualifying exams set up by the appropriate department at the end of their first year in the program.

If the appropriate department does not offer minor qualifying exams, or if a student chooses a multi-disciplinary minor, the students must submit an appropriate list of courses to the PhD director for prior approval. To satisfy the minor requirement without a qualifying exam, a minimum grade of B must be achieved on each course in the pre-approved course list.

#### ***4.5 Preliminary Proposal***

The preliminary proposal is in the form of a presentation to the faculty and graduate students on the proposed thesis topic. It is typically held before the end of the spring semester of the third year. A supporting document is to be circulated *at least one week* before the presentation. The preliminary proposal is prepared under the supervision of a faculty advisor, and is often a development of the third-year paper.

#### ***4.6 Thesis Proposal***

The thesis proposal is expected to demonstrate that good progress has been made towards completion of the thesis. It is typically expected by the fall semester of the fourth year. A typical proposal will consist of at least one completed piece of work, and another on which significant progress has been made.

The thesis proposal is presented to a properly constituted Thesis Committee of five members. It is the responsibility of the student, in consultation with the major advisor, who serves as the chairperson of the committee, to put together the Thesis Committee. The committee chair has the responsibility for deciding at what point a student is ready to defend a thesis proposal.

At least two weeks prior to the thesis proposal, the student needs to present this information to the PhD Program Coordinator of the Tippie College.

#### ***4.7 Thesis Defense***

The thesis must contain original research performed by the PhD student. A thesis defense is held in the form of an oral examination, after the student completes the thesis. The thesis defense typically takes place before the end of the fifth year. The thesis committee chair has the responsibility for deciding at what point a student is ready to defend the thesis.

The student is responsible for knowing and meeting all deadlines set by the Graduate College for PhD candidates. The student will determine a mutually agreeable time and date for the defense with their committee members. At least two weeks prior to the defense, the student needs to present this information to the PhD Program Coordinator of the Tippie College. The PhD Program Coordinator will reserve the room and submit the forms to the Graduate College. The student is expected to distribute the dissertation to the committee a minimum of two weeks prior to the defense. Finally, after passing the defense, the PhD candidate must submit the final, formatted dissertation to the Graduate College.

## **5. Evaluation of Student Progress**

### ***5.1. Periodic Review of Ph.D. Student Progress***

The program evaluates the progress of all PhD students periodically. At the start of each academic year, the PhD director will discuss with each student his or her academic plan for the upcoming year. The evaluation is typically performed at the end of the spring semester each year or during the summer. At the end of the spring semester each year, students are required to submit brief written reports to the PhD director on their academic progress, including courses taken and grades received, research projects completed and in progress, teaching assignments, and other relevant information. The PhD director will also solicit feedback from the student's advisor, faculty members that taught the student in a finance course, as well as those that supervised the student's TA and/or RA assignments.

In cases where satisfactory progress is not evident, the student is notified in writing. The notification spells out the areas of concern and specifies a period of time during which the deficiencies need to be corrected.

### ***5.2 Failure to Make Progress***

There are several consequences for failure to make progress.

First, a student will be placed in probation if the cumulative GPA falls below 3.0. Specifically, as stated in the Graduate College manual, “A doctoral student on regular status shall be placed on probation if, after completing 8 hours of graduate work, the student's cumulative grade-point average on graduate work done at the University of Iowa falls below 3.00. If, after completing 8 more semester hours of graduate work at this university, the student's cumulative grade-point average remains below the required level, the student shall be dropped from the program and denied permission to reregister unless the student applies and is accepted for a nondoctoral degree or certificate program. If, after completing the second 8 semester hours, the cumulative grade-point average is at least 3.00, the student is returned to good standing.”

Second, failure to make progress may result in termination of the student from the program. Specific instances that may lead to termination include, but are not limited to:

- Failure to complete core courses with an average grade of B or higher.
- Failure to receive a passing grade on the major qualifying examination after two attempts.
- Failure to receive a passing grade on research papers after being given the opportunity to resubmit.
- Failure to receive a passing grade on the presentation of research papers after the second attempt.
- Failure to pass their preliminary proposal defense by the end of the fifth year.
- Failure to pass the thesis proposal defense by the end of their sixth year.
- Failure to complete all requirements for the PhD degree by the end of their seventh year.

Finally, continued financial aid is contingent on acceptable progress in the academic program as well as on acceptable performance in previous RA/TA assignments. It is possible that a student may be permitted to continue to take classes in the program, but be denied additional funding, based on faculty assessments of the student's previous RA or TA performance.

## **6. Faculty Advising**

It is very important that PhD students work closely with their faculty advisor(s) during their entire time in the program. PhD students often collaborate with faculty advisors on research projects and

learn about the effective research process from such collaborations. Faculty advisors can provide valuable suggestions regarding the students' academic progress, research activity, teaching activity, and skill development. It is the students' primary responsibility to meet with the advisor(s) as needed to develop strategies and timelines to ensure she/he is progressing adequately. The faculty advisors' primary responsibilities are to periodically meet with the student advisees to discuss progress and develop goals for the academic year.

During the first year in the program, a student will be appointed a faculty advisor by the PhD program director, based on the student's initial interests, the research interests of the faculty, and the advising load of the faculty. As the student's research interests develop, each student is responsible for selecting a (potentially) new advisor that is appropriate for their research interests. The advisor/advisee relationship is voluntary. The student must ask a faculty member if he or she is willing to serve, and the faculty member must agree. Either the student or faculty member may terminate the relationship. The student must notify the PhD director when an advising relationship is formed or terminated. Typically, by the third and fourth year in the program, the student-advisor relation is expected to be stable, as the faculty advisor at that stage will very likely serve as the chair of the student's dissertation committee.

## **7. Financial Support**

The Finance Department provides financial support to all admitted PhD students. At the time of admission, the terms of the financial support are specified in the admissions letter. In some cases (e.g., funding provided by the Vaughan Institute) funding can be conditional on working in a specific research area and targeting an academic career tied to that area. Funding is typically guaranteed for five years, subject to meeting the conditions outlined in the admission letter, satisfactory academic progress and teaching performance (for teaching assistantships), as well as budget considerations. The financial support provided by the program is competitive among peer universities, and is sufficient to support living in Iowa City, a college town with relatively low cost of living.

A student wishing to receive financial support after the fifth year must submit a written request and must be explicitly supported by his/her faculty advisor. Such funding is not guaranteed and depends on factors such as satisfactory progress, convincing evidence of thesis completion within a reasonable time frame, and availability of departmental funding.

Financial support is provided in the form of teaching assistantships, research assistantships, and various forms of fellowships.

### ***7.1. Teaching Assistantships***

Teaching assistantships are the most common form of financial support. These assistantships serve two purposes: assistance in the instructional program of the University and the preparation of future college teachers.

A teaching assistant (TA) is expected to provide conscientious, competent and effective instruction to the students under his or her charge. Specific teaching assignments vary each semester and are determined by the department. Teaching Assistants will be evaluated by supervising faculty (or the PhD director in the absence of specific supervising faculty). In cases of poor performance, the department may determine that teaching assistantship performance is unsatisfactory.

Each semester all teaching assistants are required to be present in Iowa City and available for course preparation three working days prior to the first day of class. Exceptions to this requirement may be granted for personal contingencies. Except for emergencies, all such exceptions must be approved by the supervising faculty in advance. In cases of unexcused absences, the department may determine that teaching assistantship performance is unsatisfactory.

In order to qualify for employment as a teaching assistant, students whose native language is not English are required to pass two exams offered by the University: the English Speaking Proficiency Assessment (ESPA) test, a general test of spoken English, and the English Language Performance Test (ELPT), a practice lecture test given to students who pass the ESPA test. The department will register students for these exams. More information on these exams can be

found at <http://www.uiowa.edu/~iiepesl/TAPE/TAPEindex.html>. A student who fails to qualify as a TA will be expected to enroll in the suggested TA preparation courses in order to maintain their enrollment status in the program.

## ***7.2 Research Assistantships***

Students receiving research assistantships perform work in support of research activities of the designated faculty members. The research assistantship opportunities help students learn about the research process and form a collaborative research relationship with the faculty members. The faculty members that the student works for will determine the specific assignments and evaluate the work accordingly. Similar to the teaching assistants, research assistants (RAs) are expected to be in Iowa City and available for work during the period the research assistantship is received.

## ***7.3 Departmental Summer Stipends and Summer Teaching Stipends***

The department provides regular summer stipends as part of the total financial support. The amount of regular summer stipends is specified in the admission letter. There are no TA/RA assignments attached to the regular summer stipends.

Occasionally a PhD student may be asked to teach a course during the summer. Summer teaching is not part of the regular teaching assistantship assignment specified in the admission letter. If a student teaches during the summer, the department will replace the regular summer stipend by a summer teaching stipend, which is at a higher amount.

## ***7.4 Graduate College Fellowships***

In addition to the departmental funding, students may receive funding from the Graduate College in various forms of fellowships. These fellowships are not guaranteed and require applications by the student or the sponsoring department.

The Graduate College (GC) recruitment fellowship is offered at the time of admission and requires nomination by the department. With the nomination by the PhD Program Coordinator of the Tippie College, students may apply for the GC summer fellowships after they pass the qualifying exams. At the nomination of the Finance PhD Director, students passing the qualifying exams may apply for the GC post-comprehensive research awards. Finally, at the nomination of the Finance PhD Director, students at their final dissertation stage may apply for GC Ballard and Seashore dissertation fellowships. More information about these fellowships can be found at the website of the Graduate College: <https://grad.uiowa.edu/funding/fellowships>.

### ***7.5 Travel Budget***

The department provides each PhD student a total travel budget (currently \$4000) during his/her entire time in the program. The travel budget is used to cover expenses of attending academic conferences and expenses related to job market travels. Relevant expenses include travel, conference registration, lodging and food.

## 8. Sample Plan of Study

### Year one

- Prior to the fall semester (typically two or three weeks before the start of the semester):
  - Math Camp
- Fall semester:
  - STAT4100 Mathematical Statistics I
  - ECON5805 Statistics for Economics
  - ECON5115 Fundamentals of Microeconomics
  - FIN7850 Seminar in Finance
  - Electives (economics, accounting, finance, statistics, or business analytics)
- Spring semester:
  - STAT4101 Mathematical Statistics II
  - ECON5800 Econometrics
  - FIN7110 Finance Theory I
  - FIN7850 Seminar in Finance
  - Electives
- Summer:
  - Complete the first-year paper
  - Take the minor qualifying exams

### Year two

- Fall semester:
  - FIN7120 Seminar in Corporate Finance
  - FIN7130 Finance Theory II
  - ECON5810 Applied Econometrics
  - FIN7850 Seminar in Finance
  - Electives
- Spring semester:
  - FIN7140 Advanced Empirical Finance
  - FIN7850 Seminar in Finance
  - Electives
  - Work on the second-year research paper under guidance of a faculty advisor
- Summer:
  - Complete the second-year paper
  - Take the major qualifying exams

### **Year three**

- Fall semester:
  - FIN7120 Seminar in Corporate Finance
  - FIN7130 Finance Theory II
  - Electives
- Spring semester:
  - FIN7140 Advanced Empirical Finance
  - Electives
- Summer:
  - Complete the third-year paper

### **Year four**

- Fall semester:
  - Thesis proposal defense
- Spring semester:
  - Progress toward thesis completion

### **Year five**

- Job market search
- Spring semester:
  - Submission of completed dissertation
  - Final dissertation defense