



SCHOOL OF ECONOMICS AND FINANCE

Issue No.17 January 2015

SCHOOL NEWSLETTER

Welcome



Happy new year to all students and staff! The run up to the Christmas break has been a very busy time. We began the academic year in September with the usual hive of activities. The School was very pleased to welcome our expanding student community, with over 200 BSc students, over 750 MSc students and the new in-take for our revamped MRes programme.

We are also pleased to have joined the School, Claudia Custodio, Professor in Economics and Finance, Fazal Karimi, Web and IT support officer and Emma Levy, Marketing Manager. The School is now busy hiring a number of new academic staff at both junior and senior levels, including a new permanent Head of School to join us next year.

Walking around campus you may have noticed the building work taking place behind Queens' Building. This will be the site of a new Graduate Centre and new home for the School in 2016.

With best wishes for this semester and beyond,

Professor Barbara Petrongolo
Acting Head of School

Leading architects design new space for the School of Economics and Finance



Construction work has started on The Graduate Centre, a new building which will be home for the School of Economics and Finance and a base for QMUL's growing postgraduate community.

Planning began in 2013 for a new teaching, study and social hub, with consultations and final approval given earlier this year. Leading architects firm Wilkinson Eyre have designed a space that will include not only teaching spaces, such as a lecture theatre, seminar rooms, academic offices but also ample social space for students and staff including a courtyard and café.



A 'mock trading floor' will also form part of the School, expanding our current provision of Bloomberg terminals and PC lab. The School of Economics and Finance has grown rapidly in recent years and is looking forward to the improvement in facilities it will be able to offer its students and staff.

The Graduate Centre is being built between Bancroft Road and the People's Palace – it will provide 24-hour work areas and is testament to QMUL's continual development of its campus. The project aims to be completed and ready for use by September 2016.



Wilkinson Eyre Architects also designed the Arts Two building on campus and refurbishment of the Mathematical Sciences Building.



Guest speaker lecture

The 2014 School's Annual Guest Speaker lecture was delivered by **Paul Omerod**, author of best-selling books such as *Death of Economics*, *Butterfly Economics*, *Why Most Things Fail* and *Positive Linking*.

Paul Omerod read economics at Cambridge and has an MPhil in economics from Oxford. In 2006 he was elected a Fellow of the British Academy of Social Sciences and in 2009 was awarded a DSc honoris causa by the University of Durham for 'the distinction of your contribution to economics'. Paul spends his time between consulting and academic work, and publishes regularly in a wide range of journals. Paul spoke to our undergraduate students about Economics in the 21st century and discussed what he believes to be the limitations with the standard economics model of consumer choice. He pointed out that many consumers' decisions are actually driven by network effects determined by opinion, views and knowledge of other people. He concluded his talk by emphasising the importance of narratives in trying to predict the future behaviour of economic activity.

The Annual Guest Speaker lecture is organised by the School of Economics and Finance as an opportunity for students and staff to come together to discuss topical economics issues in the presence of personality from the world of business, economics, media and sport. Previous speakers include:

- Paul Mason (Channel 4 News Culture and Digital Editor and formerly BBC Newsnight Economics Editor)
- Tim Harford (FT columnist and author of popular books such as "The Undercover Economist"),
- Robert Peston (the BBC business editor),
- Scott Page (leading researcher on diversity and author of "The Difference: How the Power of Diversity Creates Better Groups, Firms, Schools, and Societies),
- Lord Sebastian Coe (Chair of the London 2012 Organising Committee) and
- Professor Lord Richard Layard (a world expert in the economics of well-being).



students get the opportunity for a signed copy of one of Paul's books



Staff News



Congratulations to Professor Randi Hjalmarsson recently awarded a **Distinguished Young Researcher Grant** in Sweden to research **Courtroom Biases: "Jury" Decision Making in the U.S. and Sweden.**

The grant of 18,000,000 kronor (about £1.5 million) has been awarded by Vetenskapsrådet (the Swedish Research Council), for the period 2015 to 2020.



Dr Chris Tyson is invited to join the Royal Economic Society's Conference Programme Committee for a period of three years. The involves taking a significant role in determining the quality of papers and the success of their annual conference.

The Royal Economic Society is one of the oldest and most prestigious economic associations in the world. It is a learned society, founded in 1890 with the aim "to promote the study of economic science."



Record numbers at Undergraduate Open day



The last Queen Mary University Undergraduate Open day of the year took place on Saturday 11th October. More than 6000 students visited the University campus on a glorious sunny and warm day.

It was a very successful day for the School of Economics and Finance. Our stand and our talks were visited by more than 600 students interested in learning more about the courses offered by the School as well as the wide range of academic support and extracurricular activities that the School organises for its students. The SEF stand was manned by some academics and a number of enthusiastic and very dedicated current student helpers, Corinne, Stephanie, Balal and Myriam who provided not only information and advice to the many visitors but also shared their own experience as a student within the School. All in all, the open day was very successful and we hope to welcome many of the visitors as future students in the School!

Meet the School

Professor Marco Mariotti

- Please tell us a little about yourself

I did my undergraduate studies in Italy at the **University of Bologna**, an Msc and a PhD in **Cambridge** (UK). Since then I have worked in several UK Economics departments (including two previous stints at Queen Mary). Before moving back to Queen Mary I spent five years at the **University of St Andrews**.

- What are you researching and why are you interested in this topic?

In general my work is in economic theory. I have various research lines, but these days I'm working especially intensively on **'bounded rationality'**. The standard model in Economics assumes that economic actors are completely rational. This is often not very realistic. In my work, together with others, we try to build more realistic mathematical models of how people make decisions, taking into account the fact that human decision makers have limited cognitive powers and are buffeted by all sorts of psychological biases. It's a relatively **new research program**, bordering with Psychology and the Cognitive Sciences. **For me, understanding and modelling human behaviour, even beyond Economics, is one of the most fascinating scientific challenges of the future!**

- What are the challenges with your research?

I am mainly a theorist. You need a particular mindset to work in economic theory, because you may find yourself spending long periods of time with very little, or no, progress. **You sit for hours trying to crack a problem and your page is still blank...** I have also done a little bit of empirical (experimental) work: while it has its own challenges and is no way easier (otherwise I'd do more of it...), I find that at least it permits incremental progress: you design an experiment, construct a dataset, elaborate the data, and so on. In theoretical economics, real progress often occurs in fits and bursts. On the other hand, **theory has the big advantage that you can work anywhere, anytime** (of course, theorists' partners may not agree that this is such a positive feature...).

- Is there any particular success you have had with your research that you would like to mention?

Science is at the same time a very cooperative and a very competitive enterprise; it is a battle of ideas in which your 'opponents' also help you. Thus **the main rewards from our professional activity come, I think, from signs of peer esteem:** publishing on top journals, being invited to speak at conferences, having your work incorporated in textbooks and course syllabi, and so on. Whenever such things happen, it's an occasion for a little celebration.



- What has drawn you to the SEF?

The School of Economics and Finance is an **exciting, dynamic place to work** in, with many great colleagues and a cosmopolitan environment. And it is in the greatest city on earth.

- What are your plans for 2014-15?

Much of the same, which fortunately in our profession is also ever different: new ideas, new students, new challenges.



Dr Zeyyad Mandalinci



• What are the challenges with your research?

Of course, there is big list of common challenges for academics working across very different areas and disciplines. For instance you may think that you have a great research question to work on and you start thinking about how to approach and answer it. Things may seem quite reasonable and the plan doable on paper, but once you start the project you may come across a battery of problems, quantitative or qualitative. Apart from the common difficulties, since my work mainly involves applied econometrics, I face challenges in methodology selection, coding, and data preparation steps.

• What are your plans for 2014-15 – professional or personal perhaps.

As I have very recently graduated from my PhD, I would like to publish my work. Also, I have new ideas and projects that I would like to work on and finalise. Of course, there are always new things to learn in the discipline, so I would like to develop my research expertise further.

• Please tell us a little about yourself

I have started my higher education at **Sabanci University in Istanbul** with a Bachelors Degree in Economics. After that, I completed a Masters Degree in Economics (Finance) at the **University of Edinburgh**. Finally, I have completed my PhD Degree in Economics at the **University of Warwick**. I have also worked as a teaching assistant for two years and then as a Teaching Fellow for another two years at Warwick.

• What has drawn you to the SEF?

The most important factor for me is the **expertise of the faculty members**. There are many academics working in the fields that I work on at the SEF. Apart from the area of expertise, QMUL is certainly one of the best universities in the UK with a well-established reputation in research, and the SEF is one of the top departments. Also, **London is a great place to be a researcher**, with numerous interesting events to attend close by.



• What are you researching and why are you interested in this topic?

My Research expertise is mainly in International Economics and Econometrics, but also in Macroeconomics and Finance. In particular, I focus on **International Capital Flows**, their drivers and implications. Given the importance of international capital as a means of finance for the emerging market economies and me coming from an emerging market country Turkey, I believe my interest in this topic is not that surprising. I apply econometric models and techniques to investigate the drivers of capital flows and their effects on the recipient countries. For instance, in a recent paper I have investigated the role of quantitative easing in driving capital flows to emerging market countries.



Update from your dedicated Careers team



This academic year has seen unprecedented activity and enthusiasm from students for the careers programme. The SEF careers programme has continued to grow and there have been over 30 events in Semester A. Some have been so well attended we started the 2014-15 academic year back in August with a popular webinar to support students wanting to 'Kick-start Applications' for internship and graduate programmes before the busy term began.

The Careers team in SEF has also expanded, with **Sue Moseley (Careers Consultant)** and **Lipsheon Jhand (Internships Co-ordinator)** now being joined by **Raj Sidhu (Careers**

Consultant) on Wednesdays. Raj joins from a career in investment banking (including Deutsche Bank) and his experience (which includes a good understanding of recent regulatory changes) has already been welcomed by students.

It's great to be able to report that interest from students has been matched by that of employers. The company logos in this article represent just a few of the many organisations which have been on campus during October and November. In many cases, organisations have been represented by Queen Mary alumni. One such alumni is Jonathan Roberts, **Assistant Economist within the Civil Service (Government Economic Service)**. He joined us in October for an evening of discussion around careers for economists and took questions from lots of interested students, as did Donna Leong, **Deputy Director, Financial Stability, at HM Treasury** and a representative from **Network Rail**.

What is the opportunity cost of owning a gold bar?
Example of Civil Service economics interview question

Deloitte.

Students are busy as I write this applying or insight weeks, internship programmes and graduate schemes. The job market is healthy, but competition remains fierce. One of the main ways for students to stand out is to be really clear about **WHY** they want to work for an employer. The events programme aims to help students to answer that question, as students get to meet employers and find out what it's really like to work in an organisation. And it remains vital for each student to do their own research, for which the School's access to **The Economist** and **FT** are very useful, as is a regular check of posts on the Facebook page 'careersforeconomics' which has grown to over 2,100 likes.

Looking ahead, I am excited to be running the new Career Success module in-curriculum for all current SEF first years from January 2015 (Tuesdays 10am weekly). I look forward to meeting some of you in the near future.

Sue Moseley
Careers Consultant



Employer appetite for **internship** and insight programmes has grown this year and this seems set to continue.

Insight programmes, particularly, have become increasingly common in the City as a way of standing out from the crowd when it comes to securing internships at the end of your second year. A quarter of organisations now offer paid internships and a third of employers run introductory courses, open days and other taster experiences for first year students. So get your applications in now if you haven't already as lots of schemes are still open (only just!).

37% of this year's entry-level positions are expected to be filled by graduates who have already worked for their organisations. This is reflected in the fact that lots of you have been busy applying for internships which is great to see and some have managed to secure some already. The first year interns I placed at Morgan Stanley last academic year have already been offered second year internships with them for summer 2015. I also placed one of our students in an off-cycle internship at JP Morgan this term so this is something worth thinking about if you do not manage to secure an internship through the traditional routes.

For those of you due to graduate in 2015, the largest recruiters of graduates in 2014 will be **Teach First (1,550 vacancies)**, **PwC (1,200 vacancies)** and **Deloitte (1,000 vacancies)** so do look into these employers if you haven't already.

The one thing that employers tell us time and again is that when they are comparing candidates on paper who all look equally academically qualified, there are **some key things that make successful candidates stand out**. These include showcasing the skills they have gained through extra-curricular activities and evidence that they have really done their

We will keep you informed of careers activities and opportunities on a regular basis. The main ways are:

Email

Careers News every Monday containing Events, Opportunities and tips on Commercial Awareness. These emails are targeted for each year group and MScs.

Relevant internship, work experience and job opportunities emailed to you as soon as they go live.

QMPlus

Undergraduates: 'Careers' in the School's Undergraduate Shared Area

Postgraduates: 'Careers' in the School's Postgraduate Shared Area

- Find out about other events organised by QMUL Careers at www.careers.qmul.ac.uk/events/
- Look out for careers publications available in the School's Reception area, with more on offer from Careers in WG3 (Queens' Building).



Follow Careers on Twitter: @qmcareers



Facebook - www.facebook.com/careersforeconomics

research about the company and can convince the employer that they want to work for them, not just any bank or similar business. As Sue mentions, generic answers to the WHY you want to work for the business question are easy to spot so try to think of **interesting and personal reasons**.

There are still lots of opportunities out there so keep going with applications! We are also planning some more insight events where you will get the chance to meet employers who are currently recruiting. Keep an eye on the events calendar on the Careers website for more details of these.

Remember, we in the Careers team are always here to help you with your applications and job search. You can book an appointment with a Careers Consultant by visiting the Careers Centre on the Ground Floor of Queens' Building or online through the Careers website.

Good luck!
Lipsheon

*All stats taken from High Fliers The Graduate Market in 2014.



Instructus Markets 'Getting into Financial Markets' session which ran in early October 2014 as part of Focus on Finance Week was attended by nearly 100 students with excellent feedback.

"Instructus Markets is a training and advisory firm which provides clear, jargon-free and friendly training in how capital markets function."



MSc Student Prizes

Enrico Longo

MSc Investment and Finance

Alexander Nikolaev

MSc Finance

Laura Kleibl

MSc Banking and Finance

Kazutoshi Kan

MSc Economics

Hongyue Lin

MSc Banking

Marc Antoine Chiaradia

MSc Business Finance

The School of Economics and Finance would like to congratulate the above students who attended our MSc's for the 2013-2014 academic session and were awarded School Prizes of £2,000 each for outstanding academic performance as they obtained the highest overall grades on their MSc programme.



PASS

Peer Assisted Student Support

Additional Ungraded Modules

The School also offers its MSc students a set of practical short courses to enhance skills and knowledge improve employability prospects and assist with future career plans.

The courses are taught by experienced City practitioners with industry knowledge and include – C++ for Finance, VBA for Finance, Finance Trading Programme, and many more. For more details and regular updates, visit Additional Ungraded Modules under Postgraduate Shared Area on QMPlus; alternatively please contact Stanley Babukutty, Postgraduate Student Support Manager.

As every year, the School's **Peer Assisted Study Support scheme** is up and running. Coordinated by the new PASS organiser, Kateryna Hrynychak (third year BSc Economics, Finance and Management), the PASS mentors are available to meet with year 1 students who are in need of some help or are just in search of some good friends whom to share their experience.

PASS is a great way to benefit from the experience of students in higher years that have been in your position and are giving up their own time to make sure that you too can do well while at QMUL.

The broad areas where you can get support are:

- Academic Support: Mentors can provide advice for lectures, assistance on problem sets and how to prepare for midterms/final exams.

- Social Support: Financial issues, personal issues, opportunities for growth and further advice/counselling are all available. We take personal matters seriously and want the very best for you.
- Careers Support: mentors can guide you with personal experiences and advice for ensuring that you get the very best advice for your future careers.

Check the PASS posters around the School and on the School's TV screens for details about the days and time the mentors are available to meet with you.

If you would like more information about the PASS scheme please contact SEF co-ordinator, Kateryna Hrynychak.



George Kapetanios and George Skiadopoulos will be organising a one-day conference on “Recent Advances in Finance” on February 27, 2015.

This conference is a follow up to the highly successful conference “Recent Advances in Commodities” that took place in February 2014 (www.commoditiessef.org) also organized by Professors Kapetanios and Skiadopoulos. Papers in four research areas will be presented (empirical asset pricing, derivatives, investor strategies and liquidity). All conference speakers are leading academics. For more information please visit www.sef2015finconf.com.

Topics and speakers:

Dimitri Vayanos, London School of Economics: *Liquidity Risk and the Dynamics of Arbitrage Capital*

Joost Driessen, Tilburg University: *Pricing Liquidity Risk with Heterogeneous Investment Horizons*

Turan Bali, Georgetown University: *Macroeconomic Uncertainty and Expected Stock Returns*

Peter Christoffersen, University of Toronto: *Does Realized Skewness Predict the Cross-Section of Equity Returns?*

Michael Neumann, QMUL: *Jumps in Option Prices and Their Determinants: Real-Time Evidence from the E-Mini S&P 500 Option Market*

Lubos Pastor, University of Chicago: *The Price of Political Uncertainty: Theory and Evidence from the Option Market*

Eric Jondeau, HEC Lausanne: *Long-Term Portfolio Management with a Structural Macroeconomic Model*

Christopher Polk, London School of Economics: *Comomentum: Inferring Arbitrage Activity from Return Correlations*

Lasse Heje Pedersen, New York University, Copenhagen Business School & AQR Capital Management: *How Smart Money Invests and Market Prices are Determined*

Participation in Conference Programme Committees

George Skiadopoulos has been invited to participate in the Multinational Finance Society Spring Conference, Cyprus, April 2015, and in the Modeling and Analysis of Safety and Risk in Complex Systems (MASR), Saint-Petersburg, Russia, November 2014, conference program committees.

Participation in Committees

George Skiadopoulos was invited to act as a Member of the nominating committee for the 2014 Financial Engineer of the Year Awards run by the International Association for Quantitative Finance, NYC.

Media and Public Engagement

George's work on volatility derivatives and implied volatility indices has been cited by the Chicago Board Options Exchange (CBOE) on CBOE's website <https://www.cboe.com/micro/volatility/Bibliography.aspx>.



Exchange Year at the University of California, San Diego

Dhrisha Mehta – BSc Economics

Studying abroad is the best thing you will ever do. After coming back from a year in San Diego, I cannot recommend it enough! It's an experience that can't be replicated and provides an incredible amount of opportunities that most people would never get the chance to experience. The opportunity to study in another country, experience another culture, explore another environment and meet people from all over the world. Regardless of where you go, if you have a chance to go on a study abroad exchange, take it because it's an experience you would not want to miss.

UCSD is an amazing place to study, with superb weather all year round, a beach only a short walk away and an impressive campus. The campus spans over a mile and consists of gyms and swimming pools, as well as over 6 dining halls and a plaza with many restaurants in the centre. If you're a fan of theatre, there's also a playhouse on site, with many of the plays shown going on to Broadway.

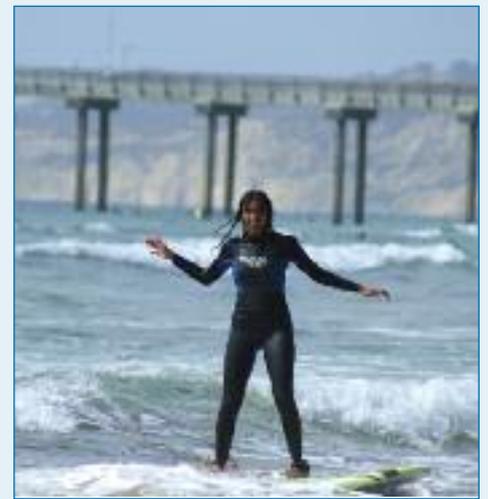
Perhaps the biggest benefit of my year abroad is the global social network of friends I now have, with friends living as far as Brazil, Australia and South Africa. UCSD offers an International House for its students to live in. While there is quite a lengthy and competitive process to get in, the rewards of living here are tremendous. Each apartment consists of two Americans and two international students. This serves to create an incredibly diverse and vibrant living

situation, and provides the opportunity to meet students from almost every part of the world.

Staying in International House also meant there was also a lot to do on campus such as language groups where I learnt some Spanish and Irish, movie nights on the lawn, and culture nights throughout the year allowing residents to sample cuisine from all over the world. And there was no lack of events in the evenings. American parties are everything you would expect them to be, red cups and all.

Of course you are there to study, and academics do play a big part during the year. UCSD works on a quarter system with three quarters throughout the year. It seemed to me while the courses are a little easier than those at Queen Mary, students are constantly assessed throughout the quarter with assignments and midterm exams, which means you do have to keep on top of your work during the year. There is also the opportunity to pick modules outside of your course, which helps to create some variety in your schedule. During my year I took on Spanish and programming!

There is no shortage of things to do in California and my advice would be to do as much as you can in the short time you're there. Visit San Diego Zoo. Learn to surf. Snorkel in La Jolla. Gamble in Vegas. Spend a night in Yosemite. Swim with dolphins. Trek through the Grand Canyon. Learn a language. Slide down the sand dunes in



Death Valley. Go on a road trip through California. Have dinner in Mexico. Sky Dive. And that's just a short list of the things I was able to do during my year. The opportunities are endless.

There is so much more I could say but in the interest of keeping this brief I'll end here. If you have any further questions about UCSD or studying abroad in general, or would like more information, feel free to contact me. I hope this has been helpful in convincing you to study abroad!

Best of Luck!
Dhrisha Mehta



Imagery competition 2015!

Look at the world through the "lens" of an economist!

Pick up your camera or your phone and submit your entry for this year's imagery competition

All pictures will be displayed in the School's reception area and the three best pictures will win a fabulous prize!

Please check your QMUL email for more details!

Here is last year's winner and runner-ups, the topic was "Economic Recovery: Is it really happening?"



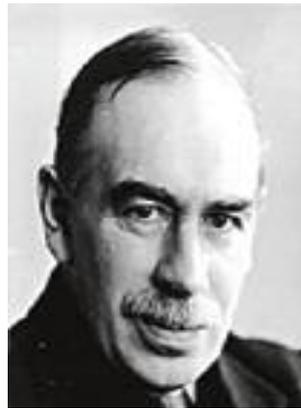
First prize: the picture depicts the increase in female employment in the financial sector, driven by the gradual economic recovery. The growing career prospects are attracting female leaders from all over the world. The steps represent the responsibility of this new generation of economists to set the foundation of a more regulated and ethical banking industry – Maria Franco



Slow, fragile growth across global economies...
But still a long way to go – Afzal Hussein



The economy recovery is really happening around us just like this sunshine after the long cloudy days during the coldest winter – Qi Han



The School screened the BBC documentary series, Masters of Money during semester one, each documentary focusing on one of the masters of economic theory – Marx, Hayek, Keynes. The one-hour documentaries were introduced by a ten-minute talk, followed by a Q&A session led by Dr Daniela Tavasci, nibbles and refreshments.

Schedule of films for semester 2 will be circulated by email and posted on the School TV screens. All welcome!

SEF Film Club



Student helpers get a chance to take a quick rest before the trade game begins!



Senior tutor, Guglielmo Volpe, lets students know about the campus treasure hunt and the prizes.

A big thank you to our student helpers

who helped make the induction in September 2014 for new students run so smoothly! Your support and friendliness was much appreciated by students and staff alike.



Students taking part in the 'trade game'

Student v Staff Football

Join the weekly student vs. staff football, a chance to get active, mingle with fellow students and perhaps win over the teaching staff!

If you want to join the football team, please add yourself to the Facebook group for further information:

<https://www.facebook.com/groups/612715775507080/>

Matches take place every Wednesday, 2-3pm, Mile End Park, outdoor football pitch no. 10, changing room facilities available.

Book Club

The School of Economics and Finance Book Club will start its meeting in this semester. All students are invited to join the meetings that provide an opportunity to read and discuss chapters from some of the latest publications in economics. The readings are chosen by the group members and the meetings are weekly. Once the semester B timetable is set the day and time for the meetings will be announced. In the meantime, if you are interested please join the club's Facebook page at: <https://www.facebook.com/qmeconbookclub>. Happy reading!





Running group for all students and staff

New year, new resolutions perhaps to get fit...if so perhaps you would like to join the lunchtime running club?

The College running group meets every Wednesday at 12.30pm within the Principal's Corridor, Queens Building, Mile End campus.

There are two groups that set off at this time every week; the first does a run of approximately 4.5 miles to various local destinations, and another second group, which is aimed at beginners, or those wishing to improve their training, which heads off into Mile End Park with the QMSU Get Active trainer, Paul Lewis.

Both groups consist of staff and student runners, and anyone from absolute beginner to experienced runner is more than welcome to join us.

The local area is superb for running, with easy access to the Regent's Canal, the Thames, Docklands, and even Tower Bridge and London Bridge, if longer runs are required. We can advise on routes and assist runners with longer runs on other days. Also, we set out to build

runners up from a beginner's level via the training sessions within Mile End Park.

If you are interested, please contact Paul Kent p.kent@qmul.ac.uk who will put your name on the list of runners and you will receive a regular Wednesday morning invitation to run with us.

The group is recognised by Run England, which is organised by England Athletics, and our team name is 'QMUL Runners.'



If you have any queries about anything featured in this newsletter, please contact Sanam Javed, Student Support Manager, s.javed@qmul.ac.uk, 0207 882 6230 or pop by the School office, CB307, 3rd floor Queens Building.