Report about an Exchange Semester at Aalto School of Economics in Helsinki (Finland)

Academic Year 2011/2012

As part of the Master Program Money and Finance at Goethe University in Frankfurt, I spent the third semester at Aalto School of Economics in Helsinki, Finland.

In the following, I briefly comment on the application procedure, provide some guidance to the preparations, give an overview and assessment of the overall living situation and the courses I took in Helsinki, and supply a list of helpful websites.

Application

I handed in my application for the Erasmus semester in mid-January, but the deadlines may change every year. The application procedure is not excessively extensive. There is a standard Erasmus application form that needs to be filled out. On top of that, the Bachelor Certificate, CV, and a written statement of motivation are required. The statement I wrote was about three pages long and mainly covered my academic plans for the semester abroad. The application is handed in to the Wiwi international office. They check it and forward it to Professor Haliassos (or whoever is the current MMF program director) for review. There is no need to send it to him directly. I was informed about the acceptance in the beginning of March. It is necessary to confirm the acceptance. Then the international office in Frankfurt nominates the student which means that one can apply directly to the exchange university. This second application is not too difficult as well and the deadline is around mid-May. Beforehand, I was contacted by the international office at Aalto University and told which documents they need and when to expect an answer. At this stage, one can already apply for housing in Helsinki which I strongly recommend. The necessary form is provided by the international office at Aalto. The final acceptance letters in written and E-Mail form were sent out during late June. However, I think it is useful to start preparations as soon as one is informed by the international office in Frankfurt.

Preparation

In MMF, it is good to, more or less, plan semesters two and three simultaneously as to cover the three areas: electives (6 ECTS courses), supplementaries (3 ECTS), and seminars (6 ECTS) for both modules Money and Finance. That is why I already looked into the courses offered at Aalto before the second semester started. Of course at that time, the outline is preliminary or the course list is from the last year, but in my case, there were no drastic changes.

One should note that as an exchange student, one can take courses not only at Aalto University, but also at the University of Helsinki and Hanken Business School. When choosing the courses, it is essential to download the course catalogues of Aalto University (link provided below). These catalogues are sorted by subjects. I think the three areas that are appropriate for MMF are: Economics, Finance, and Quantitative Methods. You need to check whether they are Master’s courses (it does not matter what program they are offered in, since exchange students are allowed to take any Master course taught in English) and the number of credit points. The next item you need to pay attention to is the teaching period. It could be either (or a combination of): I, II, III, IV. If you spend the winter semester in Helsinki, which is most likely, then you can take courses that take place in period I or II.

If the course is lectured at Aalto University, there is usually more information on the teacher in charge, course content, workload, assessment methods, registration information, and a link to the course homepage. If the course takes place at one of the two other universities, the course catalogue says so and provides a link to the respective institution.

Overall, these course catalogues represent the basis for your academic plan and learning agreement, and I recommend studying them carefully. The final schedule with exam dates was published in late June. At that point, you need to arrange meetings with both the examination office in Frankfurt and the MMF program director. The former will check whether the course can be accredited in MMF with respect to criteria such as workload or written exam, the latter assures that the contents are
appropriate to substitute as an M or F module in MMF. At the time, Aalto offered only courses for 6 ECTS. I did have the possibility though to take one of these courses to substitute for two supplementaries, but it is best to discuss each case individually with the examination office. In the end, you should have filled out and signatures on two learning agreements. One for Frankfurt that will make sure you get the credits after you return and one that you fax to Aalto sometime in July. The learning agreement for the host university is important as well, because they register you for any courses that have a registration deadline before your arrival.

Some recommendations on packing: the fall was really rainy in Helsinki, so be prepared with an appropriate jacket, umbrella, and shoes! Also, the rooms in the dormitory were not over-heated so remember to take or buy a warm enough blanket.

Arrival and Studying in Helsinki

The School of Economics prepares an orientation day the weekend before the lectures start. It is very nicely organized by voluntary tutors of an Econ student union called KY. That is, groups of students are assigned a tutor they can approach with questions. One of the tutors’ jobs is to pick the guest students up from the airport and take them to their new homes. In my case, it was not possible because I arrived exactly at the orientation day when all the tutors were busy at the school, organizing tours etc. Nonetheless, my arrival went smoothly. They had left my apartment keys at the airport pick-up service and asked me to take a taxi to my new place, which I was reimbursed for. I joined the orientation day a bit later, but it was still good that I went. On that day you are handed your log-in information, the tutors help you to register for your courses, and they assisted in buying the student’s ticket for public transportation in the Helsinki area. There was another event in the evening where students could by tickets to trips and events that were organized by that same union. These trips are highly popular and took my fellow students to a cottage weekend in the Finnish outdoors, a ferry trip to Stockholm, a weekend in St. Petersburg, and a trip to Lapland.

Before I discuss the courses I took, I want to mention a couple more practical things: the student union KY I mentioned before is a sub-organization of AYY (Aalto-Yliopiston Ylioppilaskunta), the union that includes all Aalto students. It is comparable to “Studentenwerk” in Germany. In the materials guest students are sent, there is a information about AYY. The membership fee is something like 45 Euro per semester and I recommend joining the union. AYY provides some housing in Helsinki, the card allows you to get discounts at the university cafeteria, and most importantly, it includes a students’ health service. So in case you get sick, you look up on their webpage (link below) how to make an appointment with a nurse or doctor in the hospital for students, you go there, show the card and receive free treatment.

Generally, if you have German health insurance you are also covered in Finland (since it is the EU) and the same is true for casualty insurance. Of course anyone should check their own contracts to be on the safe side. There is also no need to open a Finnish bank account as long as you have a German bank that allows you to draw cash for free abroad. Making online transactions, to pay the rent for example, is also really simple within the EU from a German bank account.

Concerning the living situation in Helsinki, I think it makes life a lot easier to follow the application process recommended by the international office and try to get a room in a student dormitory. As mentioned before, when you send the application to Helsinki, you include the request form for a dormitory room and they will tell you what to do later on. My room was provided by HOAS (some other organization related to the university) in a part of the city called Pasila. Address: Junailijankuja 5A or 5B. These are two adjacent dormitories for foreign exchange students. Although Finnish students get student housing as well, their facilities are unfurnished. In this dormitory (there are more houses for exchange students in Helsinki but I don’t know much about them), there are shared and single apartments. I shared a flat with five other girls. It can be a bit crowded at times but on the other hand it was really nice to have such good company. The rooms are not especially cozy or modern but all right. It is not cheap either (390 Euro), but reasonable. The dormitories have some nice features though. There is a common area with a big kitchen in the upper floor which can be used to celebrate birthdays etc. One has to get the keys to access and register the time, but this is a good way keep the area clean. Moreover, there are two saunas (one for girls, one for boys) for the tenants. They are heated three times a week and going there with your flat mates is quite relaxing and fun. Although Pasila is not the most beautiful part of the city, it is located very conveniently. There is a train station nearby. Every train that leaves Helsinki central station stops (one stop later, approximately 5 minutes) at
Pasila. Thus, there is never a long wait. There are numerous supermarkets in the area of the dormitory, a really nice gym in the opposite building, a huge swimming pool in walking distance, and a beautiful park/forest (see picture below) in the close neighborhood.

Last but not least, some comments on student life at Aalto University. The Econ buildings are in walking distance from the train stations but there is also a tram connection which is helpful in the likely event of a rain storm. Students have access to new computers with big screens and printing is for free. There is a cafeteria which I did not enjoy much and the library was also not of much use to me. It does not appear well-stocked and the lending periods are short (for some books it is only two days, for others it is two weeks or something like that). However, you can pick up the Financial Times Europe there which is nice.

I was happy with all the courses I took. “Financial Economics” was a course taught at Helsinki University. It takes an in-depth-view at standard and modern asset pricing models and covers some theories of behavioral finance. It was interesting in the sense that one was always encouraged to take a critical look at the theories, not only study their contents. Students were required to finish an exercise set every week in order to be allowed to register for the exam but both the problems and the exam were not too challenging.

In my perception, the courses at Aalto University were of higher quality. I took a course “Simulation” from the quantitative methods section which I highly recommend. It is a crazy amount of work, but it is worth it. It basically covers the theory of Monte-Carlo Simulation and what happens in Excel or Matlab when you generate a random number. It discusses several common distributions, multivariate distributions, and stochastic processes. Students have to prepare a demanding problem set every week that consists of Excel exercises and theoretical derivations. The problem sets account for 20% of the grade and there is also a group work project which is another 30%. The exam, 4 hours long and difficult, is the other 50%. Even though the contents are tough, if you take the time and work through everything properly you will receive a good grade.

The other course I took at Aalto was “Financial Institutions”. This course is taught both by the Professor and guest lecturers. Among other current issues, contents covered EU regulation in the financial sector which was discussed by a partner of a Finnish investment company. One guest, a manager of the Finnish pension fund for state employees, explained the Finnish pension system, and an employee at the Bank of Finland elaborated on the Basel rules in general and Basel III in particular. The course work was challenging as well, three term papers had to be written, one case-study prepared, and the literature list required for the exam was extensive.

I took these three courses in Finland because they fit well into the MMF schedule. Of course, this is below the standard workload per semester, but I covered the rest of the points in Frankfurt for several reasons: first of all, I took both the seminars for M and F during the second semester. It was not so apparent to me what I could have taken in Aalto to get credits for the seminar and it was just easier that way. Second of all, since the semester in Finland is over before Christmas, I had the possibility to take an exam for a course that was blocked in January here in Frankfurt.

To sum up, I enjoyed my semester abroad in Finland a lot. I guess one intention of Erasmus is to show young Europeans how integrated this area has become and a stay in Finland will really provide you with that experience. There are no bureaucratic obstacles, Finland is part of the currency union, virtually everyone speaks fluent English, the University is well organized, and as far as I remember, everyone was helpful and friendly at all times.

**Websites**

- this is the page where you can find the course catalogs of Aalto University:
https://into.aalto.fi/display/enmasterecon/Course+catalog

- this is a page by Aalto University for visiting students: http://www.aalto.fi/en/studies/internationalization/incoming_exchange_students/

- this is a page where most courses at Aalto university provide information, including announcements on when and where the lectures take place, and results from homeworks or the exam: https://noppa.aalto.fi/noppa/kurssit/econ/econ-0

- this is the page of the student union: http://ayy.fi/

- this is a journey planner for public transportation in the Helsinki area: http://www.reittiopas.fi/en/

The Beautiful Forest in Pasila: