

Guidelines for writing a master's thesis in finance

Where to begin?

- Think back on the courses you've taken. Which topic(s) did you find most interesting?
- Search for relevant literature within this topic:
 - <http://scholar.google.com>
 - List of master thesis ideas (on webpage?)
 - Finance journals:
 - * Journal of Finance, Review of Financial Studies, Journal of Financial Economics, Review of Finance, Journal of Financial and Quantitative Analysis, Annals of Finance, Journal of Economic Dynamics and Control, Journal of Banking and Finance, Journal of Corporate Finance, etc.
 - * You have electronic access to all the journals via the library's webpage at SDU: <http://www.sdu.dk/en/Bibliotek/Elektroniske+tidsskrifter>
 - When you've found 1–3 papers which are related to a topic in a coherent manner, you're ready to write a draft of a problem statement.
- Write a draft of a problem statement:
 - You do **not** have to come up with a new research idea. To add independence, consider comparing different theories or adding a twist to an existing model.
 - Keep it short and concise, i.e. not more than 100–150 words!
 - Be realistic and know your own limitations! You only have 5 months to finish your thesis.
- Decide whether you want to work on your own or together with a fellow student.
 - The main advantage of working together is that you can discuss your ideas and problems within the group on a more regular basis than with your supervisor, see also "What not to expect from your supervisor" below.
 - If working in a group make sure that you align your expectations (time consumption and ambitions) before signing the contract!

Contacting a potential supervisor

When you have an outline of a problem statement, you're ready to find a potential supervisor.

- Set up an appointment with a potential supervisor by e-mail (attach your problem statement and the primary literature you intend to use to analyze the problem).
- Do not contact more than one potential supervisor at a time – if the potential supervisor does not have time or there is a more obvious supervisor, you will be pointed in that direction.
- Consider before the meeting if you want your thesis to be theoretical, empirical, and/or numerical.

- Supervisors are a scarce resource! Do not expect that your favorite teacher is available – consider writing in groups.

After this first meeting you should – based on further serious considerations and maybe additional literature searching and reading – write down the final version of your problem statement. You should also write a couple of pages with suggestions for the theories and methods you are planning to use, all relevant literature, and a preliminary outline of the thesis. This will be the basis for your next meeting. After the second meeting you should be ready to sign the supervisor contract.

The writing process

After having signed the supervisor contract you have five months to finish your thesis.

- On the same day you sign the supervisor contract, find a date for your midway meeting. As the name says, the midway meeting should be held in the middle of the writing process, i.e. after two and a half months.
- Make a time plan. Five months sounds a lot longer than it actually is. Time goes fast.
- Let someone else read the final version of your thesis. Misspellings and sentences that do not make sense give a bad impression of the thesis.

Requirements for a thesis

The thesis needs to be a scientific dissertation, and some of the standard elements to include are the following:

- Motivation for the chosen topic, e.g. a case you have seen in the media.
- A problem statement, i.e. a relevant academic question.
- Theory which can explain and back up the methods being used.
- Method and procedure to solution.
- Identification of topic to be analyzed
 - Usually in a theoretical thesis you choose one or more specific models and theories, which through the analysis can give an answer to the question posed
 - A thesis may include an experimental element, e.g. in the form of implementing numerical solution methods to generate data/numbers to be analyzed
 - An empirical thesis also includes collection and selection of data.
- An analysis
- Results, solution suggestions, and assessments.

What to expect from your supervisor

Structural advice:

- As we are not experts in every area of finance, you cannot expect that we can give you professional supervision in every area.
- If you pick a subject which is not in the area of your supervisor's main research area, your supervisor will rather act as a discussion partner in your writing process.

Midway meeting:

- If you prefer it, your supervisor will read a number of pages of your thesis before the meeting. How many pages depends on the standard of the given thesis. The fewer misspellings and sentences that do not make sense, the faster and the more pages the supervisor will read before the meeting. Typically 20–25 pages, but again it depends.
- At the meeting the structure of your thesis will be discussed, and the supervisor will give you feedback on the pages he/she has read.
- After the meeting the final structure of your thesis should be in place.

After the midway meeting you are more or less on your own. You might have one extra short meeting with your supervisor, to discuss some of the issues found at the midway meeting.

What not to expect from your supervisor

A few bullet points regarding what **not** to expect from your supervisor:

- That the supervisor contacts you “to hear how it goes”. If you want supervision it is your responsibility to contact the supervisor.
- Supervision 24/7. As your supervisor has many other obligations it may take some time before he/she responds to your e-mails.
- An answer via e-mail, unless the question is very concrete and can be replied to briefly.
- A meeting the same or next day you address the supervisor. He/she can be away on business or have other obligations.
- An expert in every area of finance. Some of us mainly work with asset pricing, whereas others mainly work with asset allocation or corporate finance. Some of us mainly do theoretical finance, whereas others mainly work with empirical finance.
- A thorough reading and corrections of mistakes before handing in.
- An estimate of the grade before the defence. I first read the thesis in full when you have handed it in.
- An approval of the final version. The content of the thesis is your responsibility only!