

Thesis and Seminar Paper Guidelines

This document summarizes the most important rules and pitfalls when writing a thesis or seminar paper in finance. In particular, it addresses some bad habits of students from the University of St.Gallen. We ask you to adhere to these rules in all courses of our chair as well as all final papers.

1 Structure of a Paper

The organization of your paper should follow the “triangular” or “newspaper” style. Start with the most important part and fill the background later. Thus, it is crucial to communicate your central contribution to the readers quickly.

1.1 Abstract

The abstract is the shortest summary of your paper and its main function is to communicate the one and novel contribution. In general, it should contain the following information:

- Own contribution
- Subject of investigation
- Methodology
- Data
- Main results
- Meaning of the results

The length of an abstract is usually between 100 and 250 words. For that reason, your abstract must be very concise. Never mention literature or put open questions in your abstract.

1.2 Introduction

The introduction should state, what your paper is about and provide the motivation for your work. The reader should know why it is important and interesting. Moreover, you should give the state of the art in the introduction and embed your work in the current research. Indicate your own contribution to this existing research. What are your central findings? Do not forget to motivate your approach to the problem and highlight what you do and why you do it. For example, explain to the reader why you use a certain method and why you prefer it over another.

1.3 Literature Review

The main point of the literature review is to briefly describe the few papers which are closest to what you are doing and then relate your work to them. Hence, it is not necessary to cite every paper that is somehow related to your work. Typically, you include a brief literature review in the introduction after having explained the paper’s contribution. However, if there is substantially more literature of importance to your paper, you can insert a literature section after the introduction.

1.4 Main Body

You should think of your paper as of a cookbook. In theoretical papers the structure is more flexible. However, your main body should clearly elaborate on your identification strategy (e.g. on a quasi-experimental setting). In empirical papers you should describe your methodology, your data and your findings. This should allow the reader to gather the same data and produce the same results after reading the main section. You can structure your main body in two different ways in the case of empirical papers. It depends on the specific contents of your study which structure is more appropriate.

Structure 1 (Empirical Paper):

1. Description of the data
2. Methodology
3. Results, robustness tests, and discussion

Structure 2: (Empirical Paper)

1. Description of the data
2. Methodology, results, robustness tests, and discussion 1
3. Methodology, results, robustness tests, and discussion 2
4. ...

It is very important that you perform statistical tests on your results to assure the reader that your results are unlikely to be due to chance (robustness tests). You should also address statistical problems in your approach. For example, if your results may be biased by an endogeneity problem due to omitted variables or reverse causality.

1.5 Conclusion

The conclusion does not contain new arguments or lines of thought that are not already included in the main body. This final section goes back to the starting point, summarizes the contents of the paper and emphasizes its central contribution.

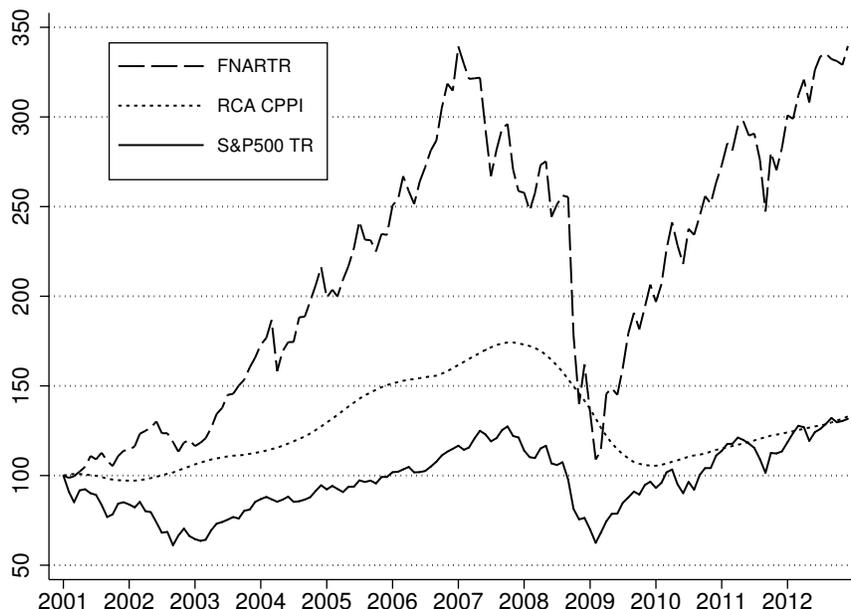
1.6 Appendix

Appendices are a good way to keep your paper concise. For example, some robustness checks, longer variable definitions, questionnaires should be outsourced into an appendix. Please note that the appendix itself should also be concise and not every single robustness check you ever did has necessarily to be reported in the appendix. Extensive information, which would use up several pages and is of specific interest for the reader, may be reported in an internet appendix or a memory card (attached to the printed paper).

1.7 Figures and Tables

Figures and tables have a number and title. They have to be “self-contained”. This means that each table/figure should be complemented by a caption which allows the reader to understand the table without reading the main text. Typical contents of the table/figure caption are the variable definitions, the sample period, the estimation method, the type of standard errors used, etc. You should note that the caption does not include any interpretations of the results. Below you can find an example of a caption:

Figure 1: Performance of Direct and Securitized Real Estate Investments



This figure compares the performance of direct as well as securitized real estate investments to the cumulative return on the S&P500 TR Index. The RCACPPI serves as a benchmark for direct and the FNARTR serves as a measure for securitized investments into real estate. The sample period spans from January 2001 to December 2012. The three investment benchmarks have been indexed to January 2001.

All tables and figures must be referenced in the text. Otherwise they are superfluous. Reference figures and tables by their number and avoid references such as “In the table above ...”. You should also not leave the table reading work entirely to the reader by saying “The results can be seen in Table 3.” and then going on to the next issue. Comment on at least some of the contents of each figure or table. What is worth being in a table is worth being mentioned in the text.

Furthermore, do not use the original outputs of your statistics software in your paper. First, they usually do not look nice and, second, they often contain unnecessary information. Concentrate on the important results and emphasize your main findings.

1.8 Citation and Referencing

The following bullet points contain the most important dos and don'ts when it comes to citation and references in your paper. Please also refer to the citation and plagiarism policy of the University of St.Gallen under the following link.

- In general, you have to add references to all thoughts drawn from others. Not citing other's knowledge is fraud and strictly forbidden.
- You have to cite previous work of your own, i.e. you are not allowed to use the same parts of your work for different pieces of work without citation.
- Avoid word-for-word citations. If you have to cite something word-for-word, you have to put the text in quotation marks and indicate the exact place. Example: Rüdüsüüli (2008), p. 54, gives a good definition of rain: “Water coming from heaven to earth in drops.”

- Usually, you will only take the meaning from others. In this case, only indicate the publication. Example: In his definition of rain, Rüdüsüüli (2008) highlights that it comes from heaven.
- Do not put the references in footnotes or endnotes. References within the text are much more elegant and common in finance. Example: In his definition of rain, Rüdüsüüli (2008) stresses the aspect that it comes from heaven. In contrast to this, Harzenmoser (2007) emphasizes the negative downward movement. Footnotes are useful for additional information that would disrupt the text. Put the year in parentheses even if the work is cited multiple times.
- Cite the original publication, the researcher deserves it. If you need the Black/Scholes option pricing formula, cite Black/Scholes (1973) and not Hull (2008).
- You do not have to cite common knowledge such as “earnings are the difference between revenues and costs”.
- Do not write “source: own representation” or similar expressions. If you do not cite something, the reader expects that it is your own work and intellectual property.
- Facilitate the readers work and provide full reference information at the end of the paper including journals volume and number and the articles page numbers (e.g., Rüdüsüüli, R. (2008): The Weather, Journal of Important Things, vol. 4, no. 4, pp. 435-950.). If the paper you are citing has not been published yet, cite it as a working paper or discussion paper, and include the institution of the author in the reference (e.g., Rüdüsüüli, R. (2008): New Findings on Rain, Working Paper, Weather University, Great Desert.). Citing books is less common than journals, as most original research is nowadays published in journals. If you cite a book, always include publisher (e.g., Rüdüsüüli, R. (2008): The Rain Handbook, Weather University Press, Great Desert.).
- References to sections are done as follows: as shown in Section 2....
- Referenced equations must be numbered. Non-referenced equations are either numbered or unnumbered, but not both in the same document.
- Equations are embedded in the text flow and are part of a sentence even if they are separated from the text. Such sentences can extend over several lines of text and equations.
- References to equations with parentheses: “... simplifying Equation (23)...” or “... simplifying equation (23)...”.

1.9 Miscellaneous

- Turn the hyphenation on.
- Avoid colors. There are very few scientific publications in finance that use colors.
- Do not use too many headings, you do not need a heading on every page. Do not use too many different levels for your sections. Avoid sections such as “2.1.7.5 Remark on Equation 5”. Two section levels are usually enough. Ensure that for each new section level there are at least two headings, otherwise do not introduce a new level.
- Write at an appropriate level of difficulty and abstraction. You are writing a scientific publication for an expert audience.
- Do not use uncommon expressions and synonyms obtained from “Leo” or other dictionaries to avoid repetitions. In a scientific publication it is okay (and common) to frequently repeat the same words.
- Do not use informal language. E.g., write “they do not find” instead of they don’t find.
- Decimal points are points, not commas.

1.10 Paper Presentations

When you are preparing a presentation of your paper, be aware of the goal of your talk. Who is your audience? Target your presentation to the people who will listen to you. However, always get to the point quickly as time is limited and use a clear and comprehensive structure to guide your audience through your talk. Your main goal should be to come to your central contribution as quickly as possible. Thus, avoid extensive motivation, literature reviews, and theory explanations.

1.11 Additional Information

For more advice how to write a paper or to prepare for a paper presentation, you might read John Cochran's "Writing Tips for Ph.D. Students" under the following link (also helpful for Master students). Moreover, Greg Anderson provides detailed information on his website on how to write a paper in scientific journal style and format. If you want to learn how to write a paper in \LaTeX you can refer to Richard Stanton's website. There you can find detailed recommendations as well as \LaTeX templates for various financial journals.

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The following guidelines are based on an initial writing guide of Prof. Dr. Manuel Ammann, Dr. Michael Huetl, Dr. Markus Schmid, Dr. Ralf Seiz and Dr. Rico von Wyss.