

Second Year Empirical Paper Requirement

The objective of this paper is for the student to demonstrate he/she can successfully use all the quantitative tools necessary to produce high quality applied research in Finance. The paper should fulfill the following requirements:

1. The empirical paper should be well-motivated. You should motivate the empirical work with recent theoretical literature, recent empirical results or models, or unresolved puzzles. You should clearly identify the marginal contribution of the paper.
2. The theories/model behind the paper should be well-explained. A good literature review is essential. In this review, you should clearly identify the contributions that the different papers attempt to make. A good review critically evaluates the merits of each paper.
3. The results should be clearly discussed and related to the theories/model you presented earlier in the paper. If you reject one of the stated hypotheses in your paper but not others, you should provide some intuition. That is, all the results should be interpreted in light of the theories/model presented in the paper.
4. The conclusions should summarize the main results of the paper and its contribution to the literature.
5. Do not forget to cite in a reference section all the papers you mention in your work.
6. The empirical paper should be well written. The paper should contain no grammatical mistakes or spelling errors.

Grading is based on the following standard

The paper should be written in such a way that submission to a finance journal will be possible. We expect all the papers to be submission-ready. We hope that some of the empirical papers will be of publishable quality. We recognize, however, that not all papers will be acceptable in a finance or economics journal.

Practical Advise

1. Relax and have fun. Writing a paper is an exciting experience, though it does involve hard work.

2. You have three months to write the paper, after you have taken the comprehensive examinations. That is plenty of time. It pays to start working as soon as possible, as three months can go very quickly. There are three steps in the process. First, define a topic; second, collect data; and third, get a faculty member to mentor the project.
3. Choose a topic you like. We strongly advise you to pick a topic that is also of interest to a faculty member in the Department.
4. Make sure the data are available, when choosing a topic. Do not leave the data collection step for the last days of the Summer.
5. Try to get a faculty member involved in the paper early. Ideally, you will work under close supervision with your chosen faculty member during the early days of the Summer. Get faculty feedback early and often.
6. Make sure that your paper is well written. Ask a classmate or friend to read it or contact a professional editor. The Department used to have a secretary (Susan Spring) that edits papers. You can get information on how to contact her from Ossie.
7. Solicit comments from your classmates or faculty members, before submitting your paper.
8. Proof read the paper a couple of times before submitting it.
9. The deadline, the first Tuesday after the Labor Day weekend in September, is a hard-deadline. It will not be extended. Make sure you meet it.

Formal Aspects

The empirical paper will be due on the first Tuesday of September during the Fall semester of the third year. Each paper will be graded by at least two faculty members (the readers). A student should select a reader from the Finance faculty. The other reader will be selected by the Finance Ph.D. Coordinator. (In general, the faculty member in charge of the Empirical paper class will be the second reader.) A student must receive either a "pass" (the paper is acceptable to the two assigned readers) or "fail" (the paper is not acceptable to the assigned readers). No conditional passes will be allowed. Under certain circumstances, a revision might be required.

The Empirical Paper is one of the requirements you must fulfill in order to graduate from our Ph.D. program. This requirement is formally satisfied by successful presentation of the research paper in a Department of Finance seminar. Only papers that received a pass will be allowed to be presented.