Kasper Roszbach

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General tips for MSc thesis writing

- Ambition level: an MSc thesis is not a dissertation. Therefore you should keep in mind that the stated requirement of originality is a relative statement: I interpret this as requiring you to refrain from simply copying work by others. It doesn't preclude the possibility that you redo a study on a new dataset, <u>for example</u> for a new group of countries, or for a more recent time period. Staying close to existing literature has the benefit of offering you more guidance in what you do. At the same time, you need to make sure that you understand the logic behind the sequence of things (analysis) that you do in the same spirit as other researchers before you.

- Think of a good structure for building up your argument: start with some stylized fact about the economic phenomenon you are interested in; then briefly describe a problem, puzzle or question you want to address. Then summarize the relevant research literature and use that literature to formulate one or more hypotheses. Here it is particularly important to think of a close connection between theory and hypotheses. Don't formulate hypotheses that cannot be derived from the literature – unless you feel confident that you can formulate a new theory yourself.

- After formulating your hypotheses, operationalize how you will test them. In most cases of MSc thesis writing – because students tend to do empirical work, not theory - this involves writing down one or more equations that you will estimate and translating your hypotheses into an assertion about (for example) the value of a particular coefficient, the explanatory power of a model vis-à-vis a competing model et cetera.

- Then think carefully about the following: which result do I need to reject or not reject the null hypothesis? Differently phrased: make sure that the way you formulate your model (i.e., the equation(s) I mentioned above) enables you to obtain such the results you need to reject the null hypothesis. It is not uncommon that students start an empirical analysis and later on realize that the null hypothesis is formulated in such a way that they would in fact never be able to reject it with the results from their empirical analysis.

- Be aware that "an equation" is not the same as "estimating coefficients in an equation". Once you have operationalized your hypothesis, the next challenge is to think of a method that allows you to properly estimate those parameters. Very often, ordinary least squares (OLS) is not the proper method because of complications (i.e., deviations from the assumptions underlying OLS) like (i) endogeneity of one of the variables on the right hand side, (ii) relations between equations, (iii) a discrete dependent variable or non-iid regression errors.

- When you start working on your thesis, try to base most of your literature review on articles published in high ranking economics and finance journals and unpublished papers by people who have already published in such journals before. This protects you from getting confused by articles that haven't passed the peer-review process and are therefore more likely to contain errors or inconsistencies. Of course, there are also brilliant and path-breaking papers that don't make it or haven't yet made it through peer-reviewing. But for thesis writing I consider it more important that you are not confused by low-quality papers, even if this occurs at the cost of not exposing yourself to a small number of unpublished papers with brilliant ideas.

- I have posted a few journal rankings on my university website. There are no true rankings, but I find the rankings posted on my website sufficiently adequate. Broadly speaking one can feel safe by using approximately the top 20 or 25 finance journals and top 50 or 65 of economics journals. These lists partially overlap.

- **Style:**
  - Keep sentences short
  - Use active rather than passive forms
  - Make sure that you clearly explain how you interpret your results and why you can draw the conclusions that you present.
  - Do not put tables or figures in your paper if you don't refer to them or describe the results or insights presented in them.
  - Tables and figures must be self-contained, i.e., the reader should be able to understand the results that are presented without having to search through the main text in order to get enough context. Typically, a caption/heading contains information about the sample period, estimation method, a clear description of the dependent variable and where useful a reference to a numbered equation in the manuscript.

Regarding the format of files and communication about your thesis:

- Please always send me a PDF of your manuscript. Conversion from Word to PDF sometimes leads to loss of formulas or tables.

- Even when you send me an early draft of your thesis or of your proposal: Do not send me a draft that is not yet properly structured.