

The term paper

Sustainable Finance PhD Course

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Objective

Come up with your own research idea in sustainable finance

- Write a short research proposal in sustainable finance
- The idea is that you describe how you would test a novel empirical hypothesis or develop a novel theoretical model
 - Examples: an experiment you would like to run? A hypothesis you would like to test using archival data? A theoretical extension you would like to work on
- **Modalities:** You can work on this alone or in a team of max. 3 people
- **Deliverable:** A concise description of the idea
 - absolute **max length**: 4000 words (length excluding references and tables or proofs, if any)
- Deadline and submission modalities (communicated by the course coordinator, check the website)

The proposal should contain at a bare minimum

- A clear description of the idea
- Why it is important
- Link to the literature
- Empirical
 - How you would test the hypothesis.
 - E.g., which data sources you will use? What empirical strategy specification/identification you will use.
- Theoretical
 - A sketch of the model

You could potentially structure your proposal as follows

1. **Title and Abstract:** Clearly state the topic of the research and provide a concise summary of the proposal's objectives, methods, and expected outcomes.
2. **Introduction:** Introduce the research problem, provide background information, and outline the significance of the study in the context of existing literature.
3. **Literature Review:** Summarize relevant theories, models, and empirical studies related to the research topic. Identify the gap in the literature that your research aims to address.
4. **Theoretical or Empirical Framework:** Present the theoretical and/or empirical foundation or conceptual framework that underlies your research hypothesis and approach.
5. **Research Question or Hypothesis:** Clearly state the research question you seek to answer or the hypothesis you intend to test.
6. **Methodology:** Detail the research design, data sources, and analytical methods you plan to use. Explain how you will operationalize variables, select samples, and conduct data analysis.

You could potentially structure your proposal as follows

- 7. Data Sources:** Describe the datasets you intend to use, including their origin, scope, and relevance to the research.
- 8. Empirical Specification:** Outline the specific econometric or statistical techniques you will apply to test your hypothesis. Describe any control variables and model specifications.
- 9. Expected Results and Contribution:** Predict the anticipated outcomes based on your hypothesis and discuss how your research will contribute to the existing knowledge in the field.
- 10. Limitations:** Address potential limitations of your study, such as data constraints, assumptions, and any sources of bias.
- 11. References:** List all the sources you cited in your proposal following the appropriate citation style (e.g., APA, MLA, Chicago).

Advice

- Remember, a well-structured research proposal should be
 - clear,
 - concise,
 - and logically organized.
- Guide the reader through the research journey from the problem identification to the expected outcomes

Grading

- Quality of writing/clarity of the description and exposition
- Novelty and quality of the idea/hypothesis
- Description of how it fits into the literature

Hints: How to come up with an idea

- Read the financial press (e.g., FT Moral Money)
- Read the big picture papers cited in the syllabus
- Go for a walk/run
- Discuss with your peers (in case your group is geographically separated, use zoom meetings)
- Read Lasse H. Pedersen's: "How to succeed..." (see Lecture 0, available at SSRN)
- Another useful reference is Michael Weisbach's: "*The Economist's Craft*"
 - <https://press.princeton.edu/books/hardcover/9780691216492/the-economists-craft>
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Questions ?