

# General Guidelines for the Corporate Finance Seminar

By Ernst Maug

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The purpose of this note is to give you some hints about writing your empirical seminar paper and presenting your work during the seminar.

## Seminar Paper

The seminar papers should have a maximum length of **12 pages of text** and **8 pages of numerical tables**. Do not include the tables in the text but at the end of the text. The page limit does not include the cover page, the table of contents, and the bibliography.

Your paper must be typed on **A4** size paper. Use **12pt Times New Roman** font, **one-half line spacing**, and at least **margins of 2.5 centimetres** on all (!) sides.

Provide a table of contents including page numbers. Use **page numbers** beginning with the first page of the introduction.

Consider the content and style of research papers published in top journals (e.g. Journal of Finance, Journal of Financial & Quantitative Analysis, Journal of Financial Economics, Review of Financial Studies, Review of Finance) as guidance for your own seminar paper. In particular, pay attention to the instructions laid out below.

Take the structuring of your document seriously as you write your paper. Follow the rule that the structure follows the content and not the other way round. Follow the **structure** of a typical research paper (recommended, deviations allowed):

- **Introduction** (not more than one page): Briefly explain what you do in your paper and why and provide a good motivation of your topic. Give a big picture of the paper and emphasize how important the results of your work are. Let the reader also know what your findings are.
- **Hypothesis Development**: Start with a short (!) summary of the (theoretical and/or empirical) literature on which your paper is based on. Briefly summarize the main hypotheses you are going to test in your paper and cite the sources of the original

hypothesis development. Make it clear which hypotheses are your own and which are taken directly from the original paper. Hypotheses describe the primary relationships between your variables of interest (that usually emerge from theory). Hypotheses should be formulated as statements, not questions. Hence they should also include the direction of an effect (positive or negative). The hypotheses should then translate into empirical predictions, which are tested in the empirical analysis. Clearly name (or number) each hypothesis if there are several of them. This makes it easier to refer to the different hypotheses later in the paper.

- **Data and Methodology:** Data: First, be very clear on the construction of your data set. List the criteria used to include observations in the analysis (size, time period, other characteristics?). State how many observations are lost at each stage of the selection process and/or in the process of matching with other data sets. Comment on how representative/biased your final sample is and compare it to the sample of the reference paper. Second, explain how you constructed your main variables. Provide a table with variable definitions if the number of variables is large. Insert database identifiers and/or provide the source of your data to clarify the definition of variables. Methodology: Explain the method that you will use to carry out your hypothesis tests, e.g., state your regression equation(s) and motivate your choice of dependent/independent variables. Demonstrate that you are familiar with the empirical methods and show that you know why these methods are applied and what their main assumptions as well as strengths and/or weaknesses are. Do not discuss Stata commands in the text. Only explain which computations you perform. However, your Stata programs should be well documented so that the examiners of your paper can easily understand them.
- **Results:** Explain and discuss your empirical results. Begin with univariate analyses (if necessary and applicable), followed by multivariate tests. Be as specific as possible in your references to tables and/figures (i.e. state the coefficient you talk about in parentheses). Evaluate the statistical and economic significance of your results. Do not just comment on the statistical significance, but explain what the sign and the magnitude of the coefficients imply economically. If you replicate a paper for a different sample or time period, compare your findings with the results in the original paper. If applicable, try to identify, evaluate, and discuss reasons for your

differing findings. In addition to commenting on your results, you need to provide a critical assessment of both, the results and the methods, of the original paper.

- **Robustness Checks and Extensions** (if relevant): Show how much your results depend on the sample selected or the way in which you defined your variables. A single replication of a study deserves a good grade, while the discussion on how to improve the paper or the actual improvement of the study deserves a very good grade. Please consider this when writing up the seminar thesis.
- **Conclusion** (less than one page): State whether or not your original hypotheses are supported by your empirical findings and what the reader has learned from your seminar paper. Do not restate all of your findings, but focus on the most important ones. Briefly summarize the strengths and weaknesses of your paper and discuss directions for future research (if applicable).

Follow the **format** and **styling** of a typical research paper:

- Write in present tense (e.g. “Fama and French (1993) find that ...”) and use active tense (e.g. “I assume that ...” not “It is assumed that ...”).
- Use normal sentence structure with subject, verb, and object, and keep your sentences short and simple. Long sentences are hard to read and understand.
- Citations should generally be in the text (use footnotes if there are three citations or more) and should have the following format: “author[s] (year)” or (“authors, year”), example “Jensen (1990)” or (Jensen, 1990).
- Capitalize references to figures, tables, equations, sections, etc.: e.g., “Figure/Table 1 shows ...”, “The estimation results of Equation 2 are ...”, “In Section 3 I ...”.
- Do not use endnotes, but only footnotes (if necessary at all).
- Do not split tables over several pages. All tables should be formatted as in published papers, i.e. all tables should have self-contained captions that explain the content of the tables.
- Use the spell checking tool provided in Word to avoid spelling (and grammar) errors of any kind.

It is not necessary to reproduce large parts of the paper, e.g. lengthy theoretical derivations or discussions of the literature. You also don't need to explain standard textbook material (e.g. CAPM).

Include a **declaration of authorship** at the end of your seminar paper. Use the wording provided in the examination regulations for the "Diplomstudiengang BWL" (as of December 3, 2008) and the „Masterstudiengang MMM“ (as of February 5, 2009), respectively.

### **Plagiarism policy**

According to the plagiarism policy at the Chair of Corporate Finance (<http://cf.bwl.uni-mannheim.de/en/teaching/plagiarism/>), a seminar paper should be your own individual work and must not contain a direct appropriation of the original text. We will consider any such incident as cheating and therefore will assign a failing grade to this thesis. Be advised that any use of the original text requires an appropriate acknowledgement of the author or source and should be marked with quotation marks. This concerns not only the original text and the discussion of the literature and the results, but also the table captions, which should not be simply copied from the original paper. These should be either properly quoted or written in your own words. By signing a plagiarism policy agreement, you entitle us to analyse your paper via TurnItIn software to detect plagiarism.

## **Presentation**

By and large, apply the structure of your seminar paper to your presentation.

You do not have to present all analyses and results from your paper. Focus on the important ones.

Discuss contents and methods in your presentation. Presentations should always contain a motivation of the study, even though they should only form a small part of the paper. The paper should be short on the theory and motivation (but not zero).

Roughly prepare one slide per 3 minutes of presentation time.

Use landscape slide orientation.

Limit the information on a slide to about 8-10 lines.

Do not use font sizes smaller than 16-18 pt for text and tables, so that everybody in the audience can easily read your slides.

Just make use of one font type. Use Arial or similar sans serif fonts.

Keep your layout simple and clear.

Use colours consistently and sparingly.

Be advised to practice your presentation prior the seminar. As a rule of thumb, assume that you will speak about 60% of the allocated time, leaving 40% for questions and discussion.