**Econ 494, Seminar in Applied International Economics**

**Seminar Topic: Finance**

**Assignment 4: Paper Outline / Rough Draft**

**Due Date: Saturday, March 18, 11:59pm**

**10 points**

The purpose of this assignment is to produce an outline / rough draft of the final project for the course. Produce an outline and do as much as you reasonably can in each section. Understandably, some sections will be more complete and polished than others. At this point I expect you will have your question, data, and methodology all reasonably well defined, and you will be getting started on getting your results and iterating for robustness and additional results. I will give you feedback and you will continue to produce a complete draft of the paper, which will be presented in the final two weeks of class (in person). From this you will receive one final round of feedback and final versions will be due at the end of the final exam period.

I propose a structure for the paper below, in four sections, that you may use as a template. You may deviate from this template but it would be a good idea to discuss with me if you wish to do so in a significant way. Keep in mind that when the paper is complete we are expecting a length of between 15-20 pages. I give recommendations for the final lengths of each section below. In the rough draft submission that I would like you to turn in to me for this assignment you can use combinations of drafts of entire paragraphs or sections as well as outline / bullet point format. Please identify and highlight for me any places where you have work to be completed or significant questions that we can discuss.

***Section 0) Title page.*** Please include your name, student number, paper title, and in the final paper an abstract of 100 words. The abstract does not need to be complete for this assignment but if you are able to do this it is great and it will help you to start thinking about how you would explain your paper in 100 words or less.

***Section 1) Introduction.***  An introduction serves several purposes. The first job is to motivate the paper – i.e., get the reader interested in what you are doing. This can be done in one or two paragraphs. Explain why what you are doing is interesting, useful, or important. Think about why you got interested in the topic in the first place, and refer back to your earlier assignments which have previously explained your motivation. Use relevant literature to help motivate your paper.

The second job of an introduction is to put your work in the context of existing literature. You should explain existing research that relates to your work, and how your work adds to this literature. This clarifies the contribution of your paper. Again, you can use your previous assignments as the basis for this part of the outline/draft. You should not have lengthy explanations if individual related papers. You only need to explain previous literature to give context to your own work, so getting across the main idea of previous research, what the authors found, and how it relates to your own work is enough.

The third job of an introduction is to summarize your entire paper and results. You only need to include the main points and results. The purpose is that if a reader only read your introduction, they would have an idea what you have done, and hopefully you motivate them to read further.

Your introduction does not need to be broken into subsections to get these three jobs done. Have a paragraph or two motivating the paper, several paragraphs explaining the contribution of your paper relative to the existing literature, and several paragraphs explaining the main results of your paper.

In the final product your introduction should be in the range of 2-5 pages. Probably 3-4 pages is ideal. For this rough draft submission, complete as a rough draft as much as possible and outline the rest in bullet points.

***2) Data.*** Data sections serve two primary purposes. First, you need to describe the data set or data sets you will use. Where did you get the data from? Who collected the data? Characterize the data – is it time series, cross-sectional, or panel. If panel, balanced or unbalanced. What variables will you use? Explain why the data is appropriate for your research question.

The second purpose of a data section is to begin to describe the data. This is an often overlooked part of the paper. You can turn an otherwise dry and dull data description section into something very interesting by including a few well-chosen tables or figures that describe very basic summary statistics of your data. Often times, such summary statistics can begin to tell the story of your main results that will come across in later regressions.

For some of you who are using very standard data (e.g., CRSP data only) a stand-alone data section might not work as well and it could make sense to do a combined “Data and Methods” section. For example, you might have a brief discussion of the raw data along with some discussion of the methods you use for portfolio formation and summary statistics of the portfolios you will use. Think about a structure that might work for you and propose something in your outline. I will give feedback. We can also discuss this in our weekly meetings leading up to the completion of this assignment.

***3) Empirical Methods.*** Here you will explain the empirical methods you will use to answer your research question. Explain the regression or other empirical methods you will use. What is the y variable? What are the X variables? Is it a time series regression, cross-sectional, or panel. Is establishing causality an issue? That is, is it clear that X causes Y, or is it possible that there are issues of endogeneity, and perhaps Y causes X. In that case, how does it affect interpretation of results and are there any methods you can use to help clarify interpretation.

If you can relate your empirical tests to theory this may be a good place to discuss that link. What results would theory predict you might find?

***4) Results.*** Explain your results and findings. Think hard about what figures and tables to include and make sure they are formatted in a way that helps the reader get the most out of them. Explain your results relative to any theoretical predictions or results from prior literature. What can a reader learn from your results? Be sure to consider robustness tests and any additional results or extensions that might help convince a reader of your primary conclusions.

***5) Conclusion.*** Briefly summarize what you have done and what you want the reader to conclude from your work.

**Tables / Figures.** Each Table or Figure should be numbered so that it can be referred to in the text (Table 1, Figure 1, etc.) with a title, and sufficient notes that the reader can understand everything in the exhibit. Figures require axes labels, legends, etc. Each figure or table should have discussion in the paper commensurate with the exhibit length. For example, a full page table or figure requires discussion of at least one full paragraph, and possibly up to a page or a page and a half. To the extent you can for this rough draft, please give a plan of the figures and tables you would like in the table. You should be in the range of 4-8 combined figures and tables.