

Research Proposal **Exercise 4 & Final Assignment**

The goal of this assignment is to develop a research proposal that identifies a novel, significant, and feasible empirical research question in empirical finance. Your proposal should demonstrate your ability to formulate a research question, motivate its importance, review relevant literature, and outline an empirical strategy for answering the question.

1. Proposal Presentation & Discussions (Ex 4; grade weight 10%)

Upload the slides consistent with your research proposal (see below) by 1pm on July 16. Present them in the class on the same day. Each of you has 30 minutes. Present your proposal in 20 minutes with about 10 slides (see the syllabus). Answer the questions from the floor using the remaining minutes. Each of you must ask at least one question to each presenter.

2. Research Proposal (Final assignment; grade weight 50%)

Upload a PDF research proposal on Canvas by 11:59pm July 20. The length should be 5-7 pages (excluding references), double-spaced with 12-point font and 1-inch margins. Follow the guidelines below.

2.1. Research Question

- Clearly state your empirical research question.
- The question should be specific, researchable, and relevant to empirical finance.
- Explain why the question is important and how it contributes to the literature.

2.2. Motivation and Theoretical Background

- Provide theoretical background on your topic and explain the motivation for your research question.
- Discuss real-world or theoretical implications.
- Highlight gaps or unresolved issues in the existing literature that your research addresses.

2.3. Literature Review

- Summarize *at least three* key papers closely related to your research question.
- Discuss how your question builds upon, diverges from, or contributes to the existing literature.
- Use proper academic citations.

2.4. Empirical Strategy

Describe the empirical approach you propose to answer your question.

- What is your identification strategy?
- What data would you use (source, sample period, variables)?
- What econometric methods or models would you apply?
- What are the key challenges (endogeneity, measurement error, etc.) and how will you address them?

2.5. Expected Contributions

- Explain what your research will add to the field.
- Discuss potential policy, practitioner, or theoretical implications.

2.6. Feasibility

Comment on the feasibility of your proposal in terms of data availability, time constraints, and technical challenges.

2.7. References

Include a bibliography of all works cited, following a standard academic format (see the Reading List).

3. Evaluation Criteria

Evaluation of your proposal will use the following rubric.

Research Proposal Assignment Rubric

| Criteria | Excellent (4) | Good (3) | Fair (2) | Poor (1) |
|--|--|--|---|---|
| Research Question (1.1) | Clear, focused, specific, researchable, significant, and original; strongly justified as relevant to empirical finance | Clear and focused; mostly significant and researchable | Somewhat clear; lacks focus or significance; researchability questionable | Unclear, unfocused, or not empirical/researchable |
| Motivation & Background (1.2) | Provides strong background and compelling motivation; clearly highlights gaps or | Provides sufficient background and motivation; | Limited background; motivation or literature gaps not well explained | Lacks background or motivation; ignores |

| Criteria | Excellent (4) | Good (3) | Fair (2) | Poor (1) |
|-------------------------------------|---|--|--|---|
| | issues in existing literature | addresses some gaps | | relevant literature |
| Literature Review (1.3) | Thorough summary of the key papers; clearly situates proposal within existing literature; uses proper citations | Adequate summary of relevant literature; some connection to proposal | Minimal review; unclear connection to proposal; citations incomplete | Lacks review or connection; citations missing or inappropriate |
| Empirical Strategy (1.4) | Well-articulated identification strategy; clear data, period, variables; appropriate methods; addresses empirical challenges rigorously | Mostly clear empirical approach; identifies data, methods, some challenges | Partial or vague strategy; unclear data or methods; challenges not addressed | No clear empirical approach; missing data, methods, or challenge discussion |
| Expected Contributions (1.5) | Clearly states substantial contributions to empirical finance; discusses policy, practitioner, or theoretical implications | Explains contributions; some discussion of implications | Unclear or limited contributions; minimal implication discussion | No clear contribution or implications |
| Feasibility (1.6) | Realistic assessment of data, time, and technical feasibility; practical challenges considered | Mostly feasible; minor concerns unaddressed | Some feasibility concerns; lacks detail | Infeasible or not addressed |
| References (1.7) | Complete, accurate bibliography in standard format; all sources cited | Mostly complete and accurate; minor format issues | Incomplete or inconsistent; some sources missing | Lacking or inaccurate references |

Scoring:

- **Excellent (4):** Demonstrates outstanding achievement in this area.
- **Good (3):** Satisfies the requirement with minor issues.
- **Fair (2):** Needs improvement; some requirements met.

- **Poor (1):** Does not meet the requirement.

Total Points: 28