On writing a master thesis in finance

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General advice on writing a master thesis in the field of finance.

Some standard topics

There are some topics that are common for theses, and most of the faculty in finance can advise on.

Corporate/Industry Valuation.

One picks a corporation/industry to analyze. A company valuation, for example, will gather public and/or private data about a given company, and carry out a valuation estimating the current value of the corporation. This is a relatively well known and structured process, and a "safe" thesis in the sense that it is always possible to do this, even with just public information, such as recent annual reports.

Event Studies.

How does the stock market react to a specific identifiable "event"? This will have to be some cash-flow relevant happening where one can say that the direction of the reaction is nonrandom.

Crossectional Asset Pricing.

Investigate whether some market-wide variable / company property is priced in the crossection of returns, for example on the Oslo Stock Exchange.

Evaluating investment/portfolio strategies.

You have dreamt up (or seen somewhere) a trading strategy you think can make money. Investigate whether it does so.

Fruitful approach to search for thesis topic

Take a result that has been shown in for example the US, and see if it holds in another market place, such as Norway.

Some more spesific suggestions

These are broad suggestions, need to be worked on to make specific.

The market for infrastructure investments. World-wide, there is a movement towards financing large, public investments in infrastructure, such as roads, bridges, hospitals, etc, through setting up private companies to do the investment, and financing the investment using private lenders. The challenges of such solutions in Norway.

Why do the Norwegian Pension Fund Global (oljefondet) invest in property by buying the properties themselves? They are already investing in stocks of property companies? Or, more generally: Is there an under-supply of listed property?

Corporate hedging behaviour. To what extent to a firm/industry hedge risks? For example, do oil companies hedge oil price shocks? Do importers hedge currency shocks? Do fish producers hedge salmon prices? Is hedging behaviour reflected in stock prices?

ESG: Has the coal industry taken on board it demise? Or: Do prices of coal related stocks sufficiently reflect that most countries try to ban coal? (a bit unclear on how this can be implemented)

ESG: We have detailed ESG data for Norwegian listed companies. There are a number of topics that can use these data and link them to the Norwegian stock market.

Soccer: In Europe a number of soccer clubs are listed. Investigate stock market reactions to happenings such as getting into international tournaments, hiring expensive managers or players, etc.

Green bond issuance in Norway.