

Khatam non-governmental non-profit university

College .........

Group........

**Master thesis proposal**

**Major ................. Subfield ...................**

**Name and surname of the student:**

**student ID number:**

**Thesis title in Farsi:**

**Thesis title in English:**

**Type of research: Applied Descriptive Fundamental**

**Student information:**

First and last name:

Student ID number:

Entry year:

Number of units passed:

Semester:

Address and landline:

Mobile phone number:

Email:

I ................................... undertake all ethical considerations related to this research including public matters (not to copy the conducted research, to keep the personal information of the research participants confidential, to make appropriate references to the sources used and obtain the consent of the participants) and specific matters (depending on the type of research, it is determined by the student and the supervisor).

I also undertake to submit a work progress report to the university's research affairs once a month from the date of approval until the time of defending the thesis.

**Instructor’s information**

First and last name:

Field of study:

Academic rank:

Service location:

Email:

Address and phone number:

Instructor's comments:

Date and signature

**Counselor’s information**

First and last name:

Field of study:

Academic rank:

Service location:

Email:

Address and phone number:

Counselor’s comments:

Date and signature

**Thesis related information**

**2-1 Research background, problem statement and research innovation**

This section describes the general outline of the research and it should reach the research problem at the end. This section is short and is intended to make the readers interested and attract their attention. First of all, the problem under investigation is generally expressed and common concepts and terms in the desired field and its place in financial research and the real world are determined. Afterwards, a series of key studies that have made a major contribution to developing the issue and solving the problem will be discussed. The expression of this research should be in the direction of limiting the topic and bringing the researcher and the reader to the subject of the thesis. In this part, the thesis must be able to refer to at least four or five reliable sources (basic articles) in the field of the research problem to show that the necessary care has been taken to acknowledge and show the scope and extent of the existing body of knowledge in it. The content of this section is usually about two to three pages.

Explaining the content should be in the field of the desired topic without unnecessary details. For example, if the researcher is looking for the use of self-organizing neural network to predict bankruptcy, there is no need to deal with the concepts and definitions of bankruptcy or types of neural networks in this section.

After reviewing the key studies, it is time to propose the main research problem. The output of this section will be an explicit statement of the research question in one or two sentences. Note that the research question should really raise the key issue of the research in such a way that it cannot be answered as "yes" or "no" at the moment.

Example: research background and statement of the problem

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Example: In this way, the main problem of the research is whether it is possible to provide a better estimate of the behavior of investors in the capital market by using neural-fuzzy network models.

Example: The main problem of the research is whether the CAPM model is true in the capital market of Iran.

Example: The research problem is whether there is a relationship between the dividend policy and the capital structure of companies in the Tehran Stock Exchange.

At the end of this section, the importance and real world application of the problem is mainly discussed. It may be necessary to refer to some numbers, trends, interviews and important events. In some (theoretical) studies, instead of expressing real applications, the gap in the literature is discussed.

It is important for reviewers that the student does not pursue a trivial research area. Simply showing the practical importance of the subject and the existence of gaps in the body of knowledge is not enough, but these gaps must also be significant and the research topic must be important in several theoretical and practical fields. Justifying the necessity of research can usually include one or more of the following:

• Relative neglect of the research topic by previous researchers

• Flaws in previous research methodologies

• Benefits of potential applications of research findings

The content of this part should be about 1 to 2 pages.

For example, the importance of the subject and the necessity of doing it

....

Example: In this way, according to the huge volume of suspicious claims of banks in Iran (70 thousand billion tomans), providing advanced and practical models to predict customer defaults is one of the current needs of the country's banking industry.

Example: As it can be seen, the probit regression technique has not been used to predict the default rate in the literature.

Example: By reviewing the literature on the subject, it can be seen that various studies have reached different answers about the impact of the business cycle on the default rate, and there is no clear answer for this issue in the literature.

It is important to mention that by studying the problem and necessity of research, one should be able to understand both the knowledge gap and the importance of conducting research and most importantly the innovation of research.

**2-2 Research objectives**

In this part, the main goal of the research is expressed in the form of a sentence, which is actually to solve the main problem of the research.

Example: The main purpose of the research is to use non-parametric regression models to predict the default of bank customers.

Example: The main goal of this research is to identify the factors affecting the capital adequacy rate in Iranian banks.

Many times, in order to achieve the main goal of the research, a series of sub-goals must also be realized.

Example: As an example, for the main purpose of using non-parametric regression, the following sub-objectives can be listed:

* Sub-objective 1: Comparing the performance of parametric and non-parametric models in predicting the default rate of bank customers.
* Sub-objective 2: Estimation of the probability density function of the default rate using the Kernel technique.

In this section, there is no need to express hypothesis or question. In financial research, due to the type of research, hypothesizing and formulation of questions are not common. The main problem of the research is stated in the problem and question section of the research, and the said problem can include dozens and maybe hundreds of questions (and hypotheses).

**2-3 Methodology**

**2-3-1 Research keywords**

**2-3-2 Data sources**

**2-3-3 Sample selection method**

**2-3-4 Operational definition of research variables and ways to measure variables**

**2-3-5 Research methods and techniques used to analyze data/hypotheses and questions**

This section is an overview of the research methodology. The contents of this section include; The method of data collection is the scope of research (time and place), society and statistical sample, the method of data analysis (and testing hypotheses or research problem). This section describes the methodology in general and includes a paragraph or two of basic statistical procedures such as regression. This section should describe both data collection methods and data analysis methods and introduce a brief summary of data analysis results. Explanations related to the applied methodology can be left out until the completion of chapters 2 and 3. Methodology details such as the sample size, reason for using tests, explanation of models and techniques are given in chapter 3.

One of the common mistakes students make in explaining this section is that they limit themselves to stating a few statistical techniques. However, in this section, the method of conducting the research should be explained in detail and the student, the supervisor and the advisor should find the assurance that the research is feasible.

In this part, some students start to prove the models used, or in other words, teach the techniques they use to their supervisors, advisors, and referees, which is completely incorrect.

Example. In the subject of the research titled "CAPM model test in Iran's capital market", the contents of the different parts of this section will be as follows:

**Data collection method**. The data related to stock returns and the stock market index will be collected from the website of Tehran Stock Exchange Technology Services Company (TSETMC) and the data related to interest rates will be collected from the website of Central Bank or documents published by the country's legal authorities such as Iran Statistics Center.

**Population and statistical sample**. The statistical population is all the companies admitted to the Tehran Stock Exchange. The following companies have been removed from the community:

Companies that have not had at least one transaction during the month.

Companies that were unprofitable in the year in question.

Companies that have not passed at least 6 months since their admission to the stock exchange.

Companies whose shareholders are more than 50% in the stock market.

**Scope of research**. The spatial domain of the research will be Tehran Stock Exchange and the temporal domain of the research will be during the years 1380 to 1390.

**Data analysis method**. At the beginning of each year, the samples are selected based on the stated filter and are arranged in 5 portfolio categories according to the annual calculated returns. According to their size, companies will be arranged and every 20% will be placed in a portfolio. The average simple return of each portfolio is calculated and according to the return of the index in the same year, and the risk-free interest rate, the regression model below and beta will be estimated. Thus, we will have one beta for each year and each portfolio.

r\_i=r\_f+β(r\_m-r\_f )+u\_i

In the following, in order to estimate the SML relationship, the following regression is estimated between betas and average simple returns of portfolios:

r\_P=α+γβ\_P+u\_P

According to the assumptions, the value of alpha should not be significantly different from zero and gamma should be statistically significant and positive. The above approach for testing the CAPM model has been used by many researchers, including... and...

**2-4 Articles and basic sources**

**2-5 references**

**2-6 Research time**

**The opinion of the expert panel of the group:**

Mr./Ms. .............................'s proposal with the title .............. ................................................ ................................................ which was proposed in the date of ................................was approved/ rejected/approved with the following changes.

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Meeting members:

Signature of the dean:

**Approval of the Graduate Education Council of the University:**

The proposed plan, which was presented in the Postgraduate Education Council on ................................, was approved/rejected.

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| --- | --- | --- |
| Position | First name and surname | Signature |
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Vice president of Education and Research Department

Director of Education

Head of Department