



Guidelines

7 April 2022

Master of Science UZH ETH in Quantitative Finance (MScQF)

Guidelines for elaborating and supervising a Master's Thesis and for avoiding conflicts of interest

1. The MScQF Master's Thesis: Generalities

The MScQF students have to finalise their program by writing a Master's Thesis which in its final version needs to be publicly presented.

The Master's Thesis is graded. The supervising professor must assess the submitted work including the public presentation and will inform the student in writing of the awarded grade.

30 ECTS credit points are awarded for the completion of the Master's Thesis if the grade is at least 4.00.

The period allowed for completion of the Master's Thesis is 6 months and starts with the formal issuance of the topic. The oral presentation of the Master's Thesis has to be done within 4 weeks after the submission of the thesis.

The administrative aspects are regulated on the website of the program in coordination with the Dean's office of the Faculty of Business, Economics and Informatics at UZH.

2. Goal

Through the Master's Thesis, it is intended to appraise the ability of the MScQF students

- to identify and analyse a problem on their own, and
- to apply in an independent manner the tools, techniques and concepts they have learned in the courses.



3. Nature of the Master's Thesis

Students have a high flexibility in their choice of the project. The general expectation on a Master's Thesis is that it goes in some way beyond writing a simple survey of the literature.

Group work is not permitted.

4. Master's Thesis Presentation

The Master's Thesis presentation consists of a presentation of **30 minutes** followed by questions. It is open to the public and will be officially announced.

5. Choice of Topic

The topic of the Master's Thesis should be discussed and decided upon in agreement with the supervisor. It should be in line with the general goals of the MScQF-program.

6. Suggested Length and Form

Most Master's Theses are about 20-60 pages long, but it is quality and not quantity that matters. In essence, students should explain through their work as much as – and no more than – one needs to understand what the studied problem is and what one can learn from the treatment or how they have solved the problem.

Details should be discussed with the supervisor.

The thesis must be written in English.

Students should familiarise themselves with the necessary text processing or typesetting software they plan to use before they start to work on their thesis.

Supervision

According to the existing regulation, any professor from the Faculty of Business, Economics and Informatics at the University of Zurich and any professor from the Department of Mathematics of ETH Zurich can be an official thesis supervisor within the MScQF program.

The supervising professor can engage one of his/her collaborators (PhD students, PostDoc researchers) to support the supervision.



The supervisor has an important role. He/she must ensure that the topic agreed on is both acceptable and feasible in the limited time, and that the method of analysis students have chosen is appropriate and correct.

Students are encouraged to arrange for meetings with their supervisor to report about their progress so that he/she can give some suggestions and bring the students on the right track again if necessary.

7. Cooperation with the Financial Services Industry

The Steering Committee of the MScQF supports projects developed in cooperation with the financial industry, including the combination of working on the Master's Thesis with a part-time internship in the financial industry. However, the following rules must be adhered to:

- Each thesis is officially and ultimately supervised by a local professor as mentioned above.
- It is possible that a practitioner (e.g. an expert from the financial services industry) comes up with a precise topic and offers students the needed guidance. In this case, if the supervising professor agrees with the topic and planned work structure, he may assign the practitioner a co-supervisor role.

If some student is eager to work on a practical project, but currently lacks the industry contacts, he/she might ask the Program Director or the members of the Steering Committee of the MScQF for relevant contact persons in the financial industry.

8. Governance: Addressing Possible Conflicts of Interest

When choosing a supervisor and while students work with their supervisor(s) towards completing their Master's Thesis as part of the MScQF program, all involved parties are expected to act proactively to avoid possible conflicts of interest.

- *What constitutes a conflict of interest?*

A general definition is almost impossible, but as a rule, conflicts of interest are a clash that most often occurs between requirements and interests. Various types of conflicts of interest can occur because of the nature of relationships versus rules of UZH and ETH (or versus federal and cantonal laws).

- *Need to address conflicts of interest*

The Steering Committee of the MScQF program takes possible conflicts of interest very seriously.



For this reason, the SC of the MScQF strongly advocates transparency (being completely open and frank) as the key aspect when dealing with both actual and perceived potential conflicts of interest.

Perceiving a potential conflict of interest does not make it automatically an actual conflict of interest. The true test of verifying whether a matter is just a perceived potential conflict of interest, or an actual conflict of interest, is disclosure.

When it comes to conflicts of interest, appearance is as important as reality. That is why disclosing conflicts of interest is important.

On the other hand, disclosure of an actual conflict of interest does not remove the conflict but helps get it in the open to be properly addressed. It is important to disclose both perceived potential and actual conflicts of interest to allow others to evaluate the matter and make a decision, rather than keep the issue to oneself and then create an ethical or legal situation. An individual cannot determine whether a situation constitutes a conflict or not because he/she does not have an independent or objective point of view.

- *How to handle conflicts of interests within the MScQF*

The SC asks both students working on their Master's Thesis projects as well as their supervisors and (potential) co-supervisors to contact SC members when someone identifies a situation that may be a conflict, or could be perceived as a conflict of interest.

The members of the SC can and will help advise on how to either remove the conflict or develop a management plan to manage the conflict. Moreover, they could possibly ask for legal advice from the Dean's office of the Faculty of Business, Economics and Informatics.

As a general rule, if there is a conflict situation with one supervisor of UZH or ETH, the SC demands to involve an additional, neutral supervisor/professor who participates in the supervision and grading of the Master's Thesis and the public presentation exam.

As a list of possible conflicts of interests can never be exhaustive, these guidelines only list two typical examples.

Example 1, with UZH or ETH professor *Internship with Master's Thesis*

The student S does an internship at company C and agrees to develop his Master's Thesis under the supervision of Professor P.

However, professor P is linked to company C (e.g. as a shareholder or board member, or does consulting for C, etc.).



In this case, the SC demands to involve as supervisor a second professor, who is independent of company C, in order to avoid possible conflict of interests.

Example 2, with external lecturer and internship

The student S does an internship at company C, where he/she has direct contact with an external lecturer L who teaches in the program. While completing the MScQF program, S also intends to take a course with L and/or plans to involve the lecturer L in supervising his/her thesis.

If this happens, taking the course and/or working on the Master's Thesis with L, the student S becomes dependent from L, which can create a conflict of interest.

Since any lecture given by an external lecturer is coordinated by a so-called "Modulverantwortlicher", a professor from UZH or ETH, the SC demands to closely involve the Modulverantwortlicher in the exam for the lecture. If the student wants to work on a Master's thesis with lecturer L, the SC demands that the official supervisor (see above) should be independent of L.

As a general rule, the SC recalls that according to the regulations, an external lecturer can only be a co-supervisor of a Master's Thesis. There will always be a supervisor of D-MATH at ETH or WWF at UZH.

These guidelines were developed and agreed upon by the Steering Committee in the MScQF program in its meeting of 29 September 2021.

This document will be distributed during the year 2022 to all MScQF students and to all potential supervising professors in the program.

It is intended solely for orientation and has no legal binding dimension.

Kontakt

Program Director, Prof. Dr. Erich Walter Farkas
Department of Banking and Finance, University of Zurich
E-Mail: walter.farkas@bf.uzh.ch
www.msfinance.ch