

University of Stuttgart

School of Management: Dept. III - Finance

Seminar in Finance

Investment Strategies – Returns, Risk, and
Implementation

The most important facts in brief

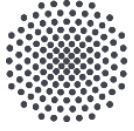
- **Registration** for the seminar via the [online form](#) on our website
- **Registration deadline:** 10th October 2025, **assignment of topics** on 15th October 2025 by e-mail
- **Kick-off** event: 20th October 2025 at 3.45 p.m. in room 7.011 (Keplerstraße 17, 7th floor)
- **Introduction to databases** (Bloomberg and Morningstar) on 22nd October 2025 at 9:00 am (online)
- **Introduction to R** on 29th October 2025 at 10:00 am (online)
- **Submission of written work:** 20th January 2026 until 11:30 a.m. by e-mail to patrick.rank@bwi.uni-stuttgart.de
- **Seminar presentations** on 29th/30th January 2026 (submission of presentation slides by the presentation date)
- Participation in kick-off, database introduction and seminar presentations **mandatory**
- **Registration for the examination node** for the seminar in Campus required during the examination registration period
- The **seminar paper** is an **individual assignment** (each student writes his/her own seminar paper), the **seminar presentations** are a group work (consisting of several students working on the same topic)
- **Examination** consists of written work (60% of the overall grade) and presentation (40% of the overall grade)

Dates

- ✓ 20.10.2025, 15:45 (Kick-Off)
- ✓ 22.10.2025, 9:00 (Introduction to databases)
- ✓ 29.10.2025, 10:00 (Introduction to R)
- ✓ 29.&30.01.2026,, all day (Seminar presentations as block seminar)

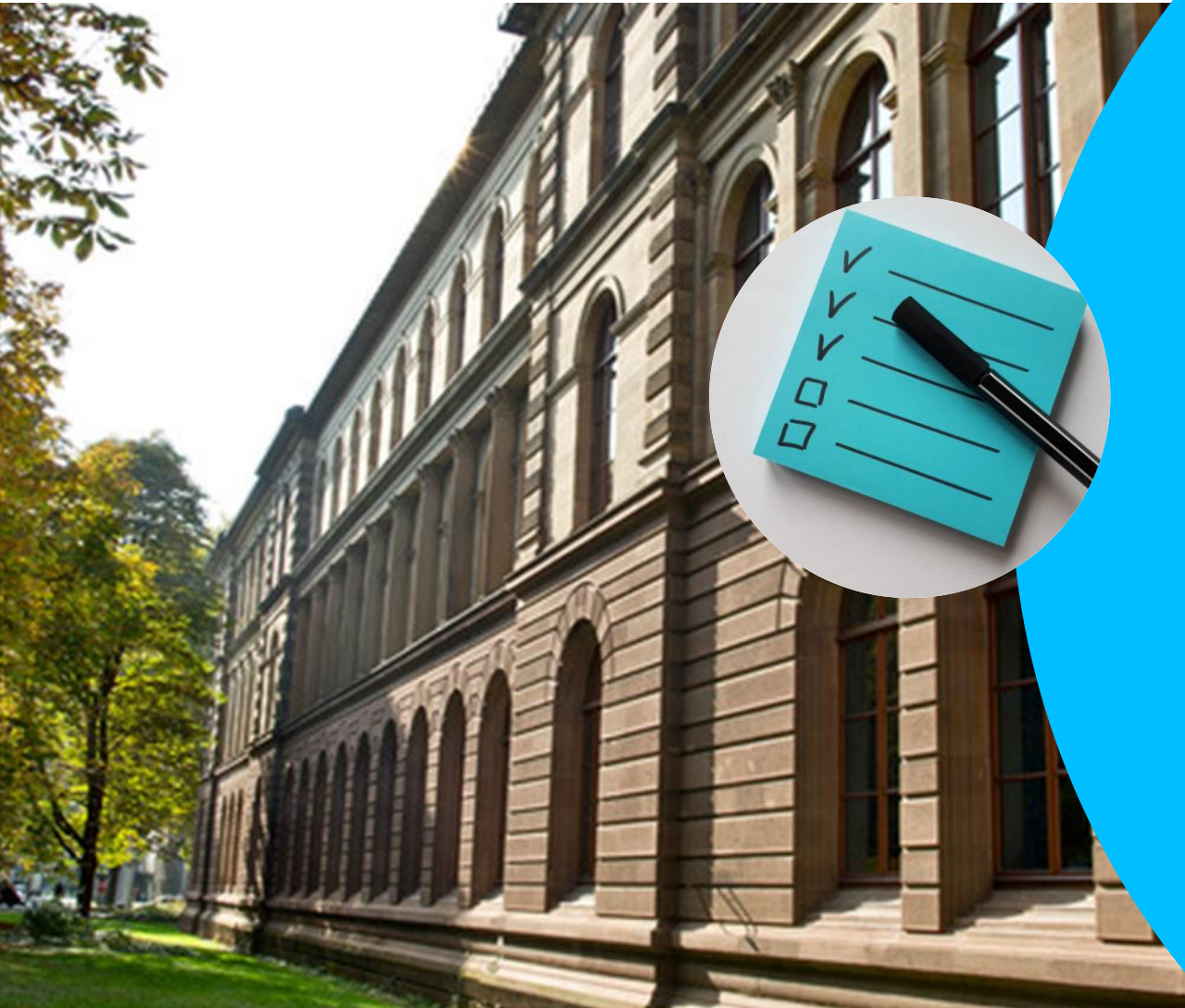
Requirements

- Written seminar paper of approx. 12 pages (font size 12, line spacing 1.5)
- [Guidelines for scientific](#) work must be observed
- Seminar paper can be written in either German or English
- Seminar paper consists of (in addition to introduction and summary/outlook)
 - Literature review
 - Summary of the introductory literature and other thematically relevant scientific literature
 - Own empirical analysis
 - Own analysis of a research question related to the introductory literature using financial market data (e.g., replication on another market or for another period) or a question going beyond this
 - Statistical methods: e.g., linear regression or portfolio sorting
 - If you want, you can also analyze further questions
- Individual priorities are possible and desirable both with regard to the weighting of the two components (literature review and empirical analysis) and thematically within the two components



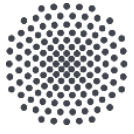
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Bachelor topics

- **Topics for Bachelor students**
- **Link to background literature on the slide of each topic**



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Momentum Crashes: When Trends Reverse

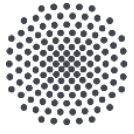
Momentum strategies—i.e., buying winners and shorting losers—deliver high returns on average. However, in periods of panic following sharp market declines, momentum crashes regularly occur: the strategy collapses and generates negative returns.

Research shows that such crashes occur particularly in periods of high uncertainty and that dynamic adjustment of the strategy can significantly improve its stability and returns.

The question remains: How reliably can these crashes be predicted – and does the pattern apply equally to all markets?



Introductory literature



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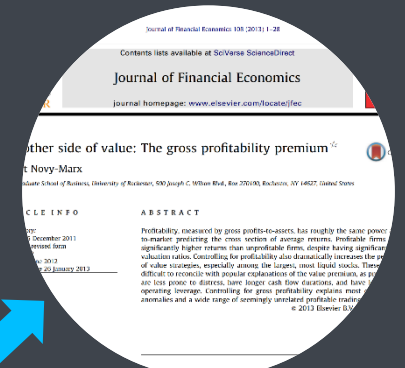
BWI: Abt. III – ABWL und Finanzwirtschaft

The other side of value: The gross profitability premium

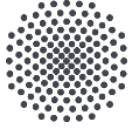
Why do some companies consistently achieve higher returns in the stock market? One key finding from research is that firms with high gross profitability tend to perform significantly better on average than less profitable firms.

At first glance, this result seems counterintuitive – after all, profitable companies are often more highly valued. Yet the evidence shows that high profitability reliably predicts future excess returns. Particularly interesting is that this effect is about as strong as the well-known value effect.

How can profitability be used as an additional metric alongside classic value measures? Does the relationship only hold for certain firm sizes or industries? And how robust is the profitability premium across international markets?

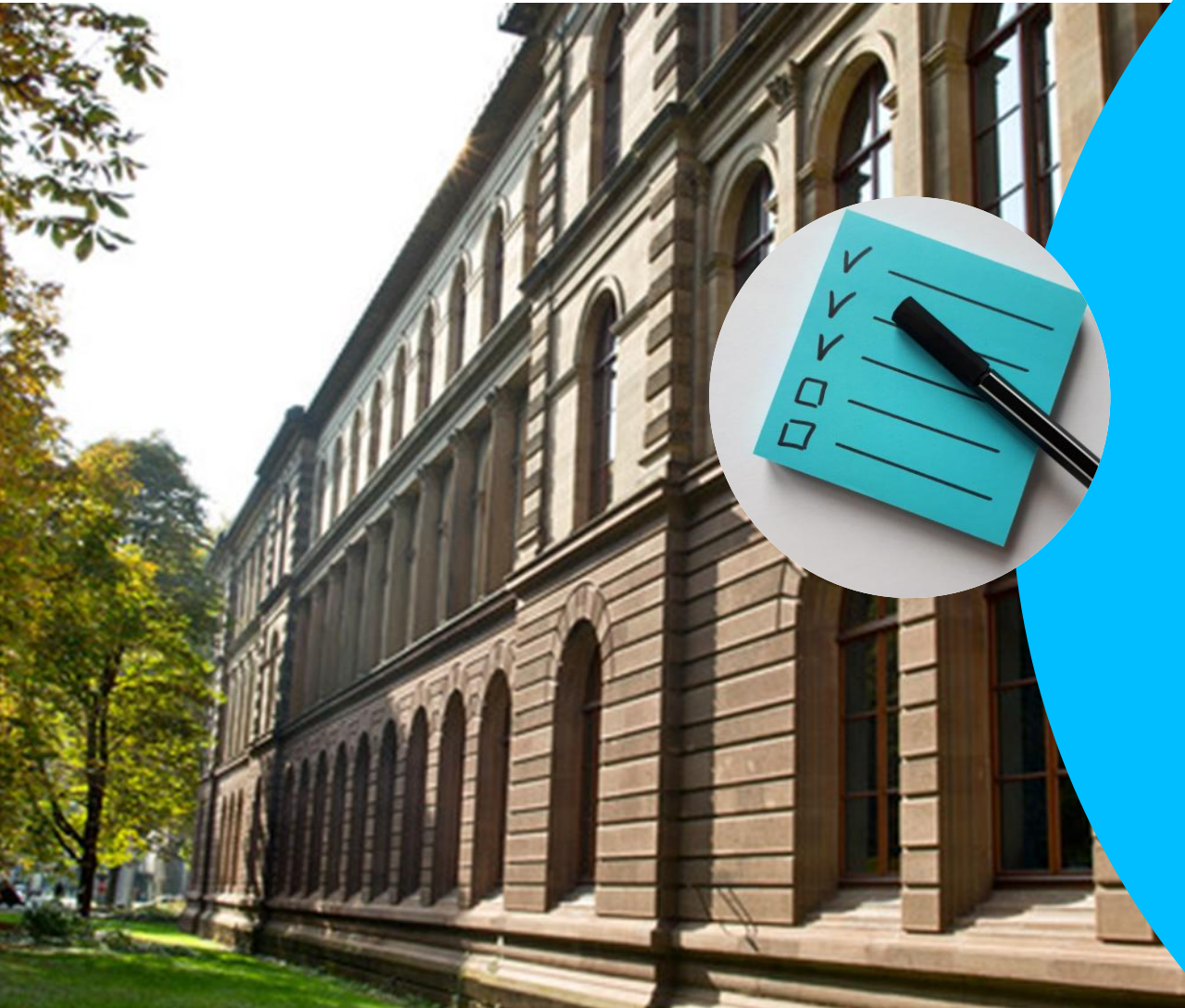


Introductory literature



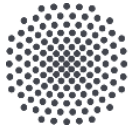
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Master topics

- Topics for Master students
- Link to background literature on the slide of each topic



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Reaction of capital flows to past returns

Capital flows into or out of investment funds depend on past returns. However, the strength and the shape of this relationship differ across fund types. While equity funds experience stronger inflows following good past performance (“performance chasing”), investors in bond funds react more strongly to poor performance and tend to withdraw their money. How does this relationship differ across the various types of investment funds and ETFs?



Introductory literature