



CENTRAL EUROPEAN UNIVERSITY

**DEPARTMENT OF ECONOMICS
AND BUSINESS**

**CAPSTONE PROJECT REGULATIONS
FOR THE MASTER OF SCIENCE IN FINANCE PROGRAM**

Last updated: January 26, 2018

1. THE CAPSTONE PROJECT

The Capstone Project (the Project) is a consulting field assignment with a client organization. It is a mandatory part of the MS in Finance, allowing students to apply their acquired skills in a professional setting.

The Client may be the organization the Student already works for, or an independent client that the student is placed with as an external consultant. CEU will help find suitable independent clients, but students are strongly encouraged to seek out prospective clients themselves whenever possible.

The Project must be challenging, relevant to the Student's career needs and professional objectives, feasible within the Project timeline, and answer a real need with clear and valuable outcomes for the Client. Topics may include finance-related topics of any kind, such as

- financial review, market survey and strategy for a company, business unit or product
- financial planning and valuation for a new venture
- transaction advisory and due diligence for a company or private equity firm
- financial markets advisory including fundraising, optimizing funding structures
- improving financial processes and working capital management
- risk management benchmarking and best practice analysis
- analysis of complex financial instruments
- real estate valuation and transaction advisory
- financial reporting and cost allocation issues
- investment consulting and portfolio management.

The Project is owned and governed by the Student. They assume full responsibility for all aspects of the Project, including for

- developing and maintaining a rich and stable working relationship with the client
- working with the client to develop, refine and execute the Project plan
- designing the research framework and identifying appropriate methods for problems solving
- critically evaluating key findings and actionable decision options
- behaving by the ethical norms of professional consultants both during and after the Project.

Satisfaction of the Client is critical, as an unsuccessful Project can have a lasting effect on CEU's positive image with partner institutions and the broader business community.

2. SUPERVISION

The Client must name a Project Sponsor available throughout the Project for advice and guidance. The time the Student and the Project Sponsor spend on the Project will vary depending on the Project's nature and scope. We recommend weekly update meetings in person, by email or phone.

The Project is overseen and examined by an Academic Supervisor appointed by CEU. The Academic Supervisor can never take over Project responsibility, but will provide guidance on the Project and comment on the Project plan, the presentation and the final report.

The Client is asked to meet the Student's expenses associated with the Project, including travel, accommodation and subsistence, if any. The Client and the Student must agree in writing on the expected expenses that the Client is prepared to meet, and include these expenses in the Project Initiation Document (PID). The Student should not incur expenses without the Client's prior approval.

3. DELIVERABLES

Getting Started

The Student and the Project Sponsor work together to develop the Project Initiation Document (PID). The PID specifies an initial high-level Project plan and schedule. It must clearly define the Project's background, key objectives, methods of approach, key contact points and reporting structure, any constraints and exclusions, and the interim and final deliverables.

The Student is provided with (i) a standard PID template, and (ii) a Letter of Terms including a General Confidentiality and Non-disclosure Agreement (NDA). The PID is approved by the Academic Supervisor and signed by all parties. The NDA is signed by the Student and the Academic Supervisor.

Final Deliverables

1. *Project Presentation.* The Student will do a presentation towards the end of the Project at a mutually agreed date and location. It will be made to the Academic Supervisor and, where possible, the Project Sponsor and any other interested representatives of the client. Fellow students and faculty may attend unless agreed otherwise. The presentation should be about 30-60 minutes with 10-20 slides. It may include some technical aspects, but should focus on the problem and the way to the solution.
2. *Project Technical Discussion.* This technical document (paper or presentation) must provide a detailed description of all aspects of the Project, including data description and methodology. The document must be submitted to the Client and the Academic Supervisor, and will be kept confidential indefinitely as per the NDA signed by the Student and the Academic Supervisor. It has no length constraint.
3. *Public Project Summary.* This document is a three-page essay summarizing the Project, with confidential information removed. It must be written in a way that anyone would understand the relevance and main findings of the Project. It must be approved by the Client for public sharing and uploading to CEU's Electronic Thesis Database.

4. EXPECTATIONS / PROJECT GRADING

- **A:** All three documents are submitted as required. The Project offers new insight and shows originality. It is carefully prepared, documents are clear and well-written. The Project discussion has a high technical quality.

- **A-**: All three documents are submitted as required. The Project offers interesting insight. It is carefully prepared, documents are clear and well-written. The Project discussion has a high technical quality with minor flaws.
- **B+/B/B-**: All three documents are submitted as required. The Project lacks originality and/or the execution is problematic.
- **Fail**: Not all documents are submitted. The goals and organization of the Project are unclear or differ so much from the eventual output, that evaluation is impossible.

5. TIMELINE

The Project may be carried out *at any time during the Student's period of study* subject to the agreement of the Student, the Project Sponsor and the Academic Supervisor.

Typical timeline

- Consultation between the Student and the Head of the MS in Finance: February / March
- Appointment of the Client: March
- Appointment of the Academic Supervisor, submission of the Project Initiation Document: April
- Draft Project report: July
- Project Presentation, Project Technical Discussion and Public Project Summary: August.

Additional milestones may be set by the Academic Supervisor. Final deadline delay must be approved by the Head of the MS in Finance.