Back in Los Angeles after graduation, Allan came before a presbytery made up of both liberal and conservative ministers and elders, to be licensed and ordained. Following his introduction as a prodigy, the presbytery's committee meekly asked him who wrote the four gospels (and a few other rather simple questions), and then proceeded to ordain him!

Upon his graduation from Princeton, Allan had been awarded a fellowship to study Semitics at the University of Berlin; and thus, in the late summer of 1927, he proceeded to the next arena of learning. Between his studies in Babylonian Cuneiform, Egyptian Hieroglyphics, Arabic, and Syriac, Allan managed to find opportunity to do extensive hiking and climbing in the Tyrol, the Black Forest, the Swiss Alps, and the Austrian Alps. Feeling keenly his lack of fluency in the German language, he began talking to the natives on his hiking tours, and became so proficient in the language that when he later returned to the United States he dreamed in German for months!

During his second year at the University of Berlin, Allan made a four-month trip to Palestine, where he met a famous archaeologist, Sir Flinders Petrie; and where he studied in the American Schools of Oriental Research under another famous scholar, William F. Albright. Together with Dr Albright and two other students, Allan participated in the exciting discovery of the site of the Biblical city of Ham, mentioned in Genesis 14.

In 1929, Robert Dick Wilson invited Allan MacRae to join him as his assistant in the Old Testament Department of the new school which was being organized after the reorganization and consequent liberalization of Princeton Seminary. After some hesitancy, Allan interrupted his doctoral program at Berlin and returned to the United States to assume the assistant professorship of Old Testament in Westminster Theological Seminary.

During his eight years at Westminster, Allan resumed his doctoral studies, this time at the University of Pennsylvania Under Ephraim A. Speiser. This program was completed in 1936 when Allan received his Ph.D. degree. His dissertation was entitled "Semitic Personal Names at Nuzi."