candidates should be able to:

Demonstrate knowledge of various measures of correlation of returns. Including:

* Recognize the importance of correlation in alternative investment portfolio management
* Define and calculate covariance
* Define and calculate correlation coefficient
* Define and calculate the Spearman rank correlation coefficient
* Discuss the role of correlation in portfolio diversification
* Define and calculate beta in the context of the CAPM Define and calculate autocorrelation
* Define and calculate higher-order autocorrelation and partial autocorrelation
* Define and apply the Durbin-Watson test