GR5261/GU4261 Midterm Information Sheet

When: 9:00 am-12:00, Saturday, March 24, 2018

Where: Room 501 Schermerhorn Hall

Coverage: Fixed income securities (zero coupon bonds, coupon bonds, spot rates, forward rates, yield, default time); Markowitz's portfolio theory (feasible region, efficient frontier, minimum variance point, two-fund theorem, risk-free asset, one-fund theorem), CAPM (Sharpe ratio, capital market line, beta, security market line and linear regression model, one-fund theorem, two-fund theorem); factor models and PCA; risk management (VaR, expected shortfall) and copulas (Gaussian and t-copulas, Archimedean copulas (Gumbel, Frank, Clayton), special copulas (C^-, C^+, $C^\perp$). Chapters 2, 3, 8, 16, 17, 18 and 19 contain most materials.

Format: This is a closed book exam. Books, notes, cell phones and laptops are NOT allowed. However, you may prepare and bring with you two formula sheets of regular size (up to 4 pages total!).