**Full name:** Nguyen Nhut Vu Truong

**Student ID:** 413707008

**Course:** Financial Econometrics

**HW0224**

**Question 1**

A screenshot of a computer code

AI-generated content may be incorrect.

A close-up of a computer screen

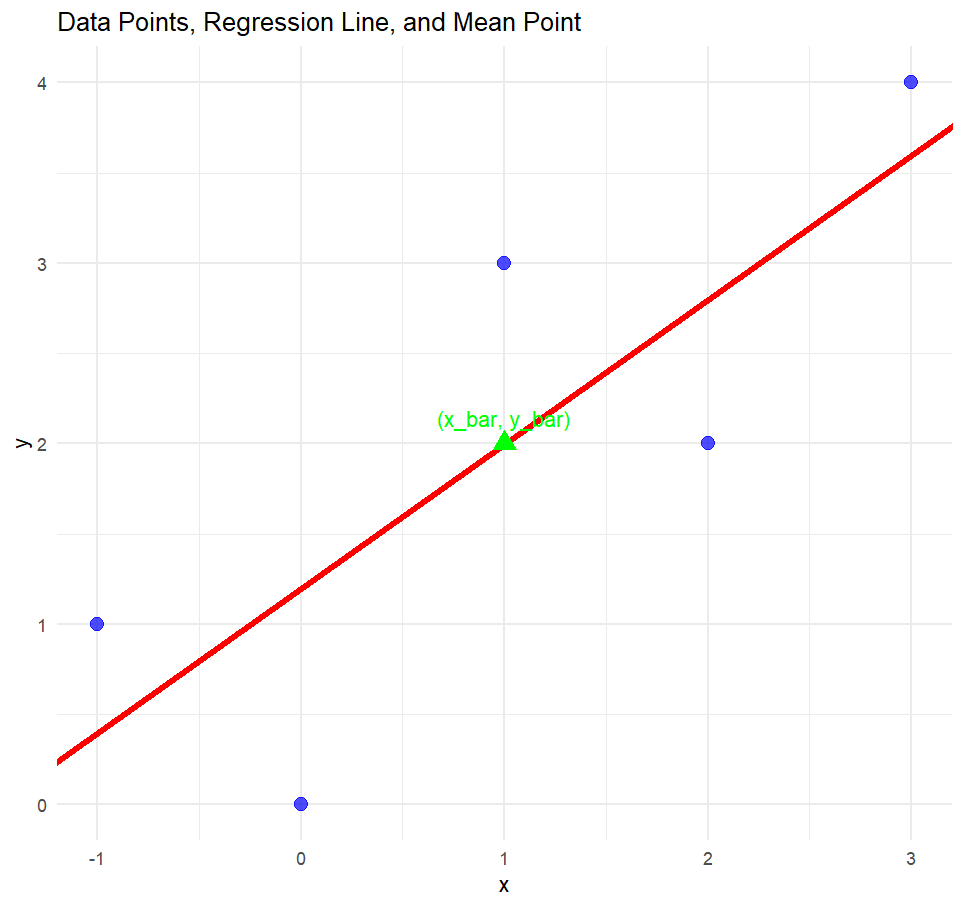
AI-generated content may be incorrect.

A screenshot of a computer program

AI-generated content may be incorrect.

A computer screen shot of a computer code

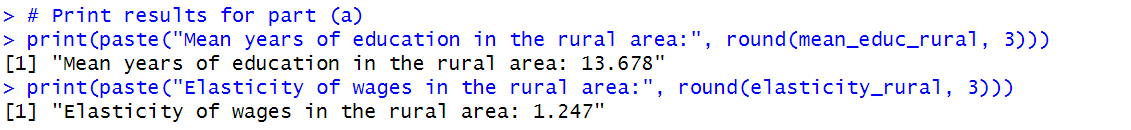
AI-generated content may be incorrect.

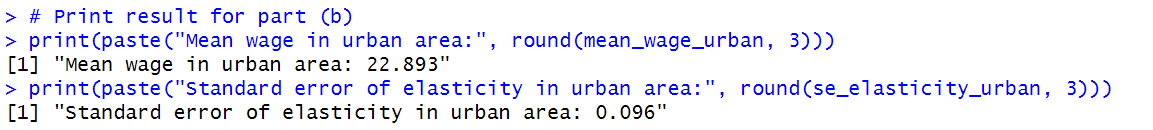


A computer screen shot of a computer code

AI-generated content may be incorrect.

**Question 14**

****

****

**A close-up of a white background

AI-generated content may be incorrect.**

**Question 16**

****

The CAPM econometric model is a simple regression model because it expresses a dependent variable (excess return of security) as a linear function of a single independent variable (market risk premium), with an intercept, a slope coefficient, and an error term. This structure perfectly matches the standard simple regression framework discussed in the chapter, while providing parameters with meaningful financial interpretations.

b. Estimate the CAPM model for each firm, and comment on their estimated beta values.

A screenshot of a computer

AI-generated content may be incorrect.

A screenshot of a computer code

AI-generated content may be incorrect.

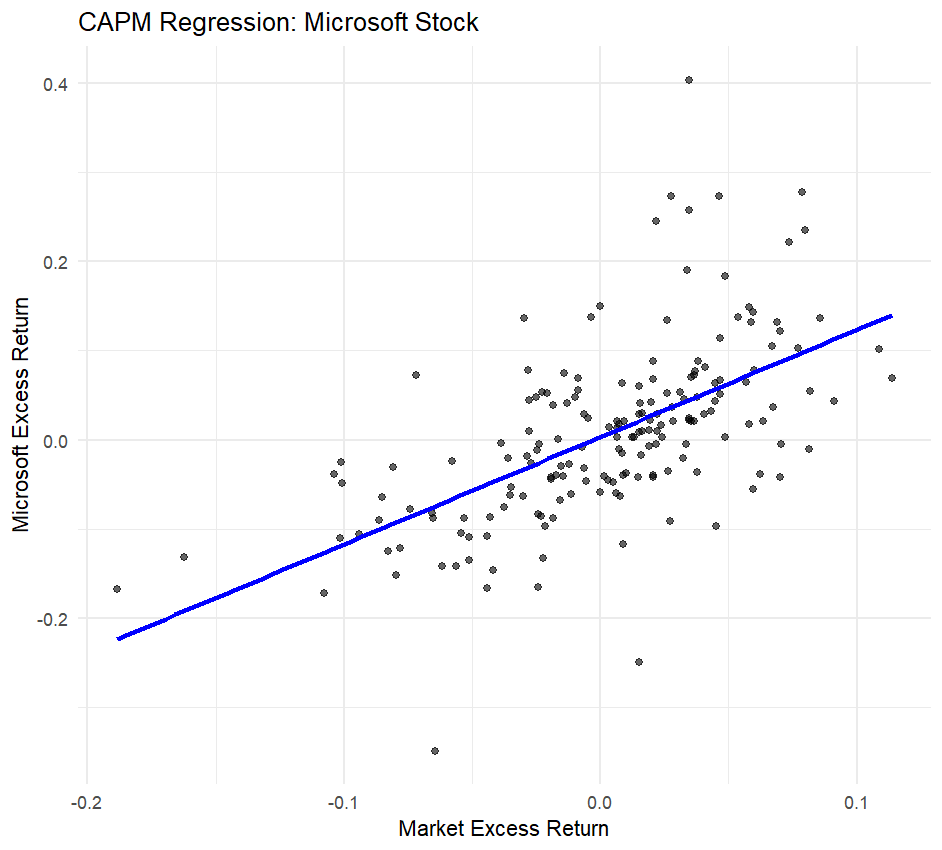
A screenshot of a computer code

AI-generated content may be incorrect.

c. The p-values of all alphas are larger than 0.1, which is insignificant.

A white screen with blue text

AI-generated content may be incorrect.



d. Beta values remain similar, it indicates that the intercept does not strongly influence the estimates.

A screenshot of a computer code

AI-generated content may be incorrect.