**FINANCIAL MANAGEMENT**

**ASSIGNMENT – 11**

**Risk & Return**

1. Explain what is meant by standard deviation – using a simple example?

Assume we are looking at two players of cricket.

Assume the following scores made by Player 1 and Player 2. What is the average in both the cases. What is the deviation from the average in either case?

Player 1: 50, 50, 50, 50

Player 2: 0, 100, 0, 100

Average of Player 1: 50

Average of Player 2: 50

Variation in Player 1:0

2. Discuss if the returns are distributed normally, and if there are any deviations from the normal distributions. Are the returns completely symmetrical? Do they follow the exact pattern of normal distribution?

3. What are the key points that affect your decision making in finance?