QF624-2025-W9

Number of participants: 21



1. Why introduce robustness in portfolio optimization?

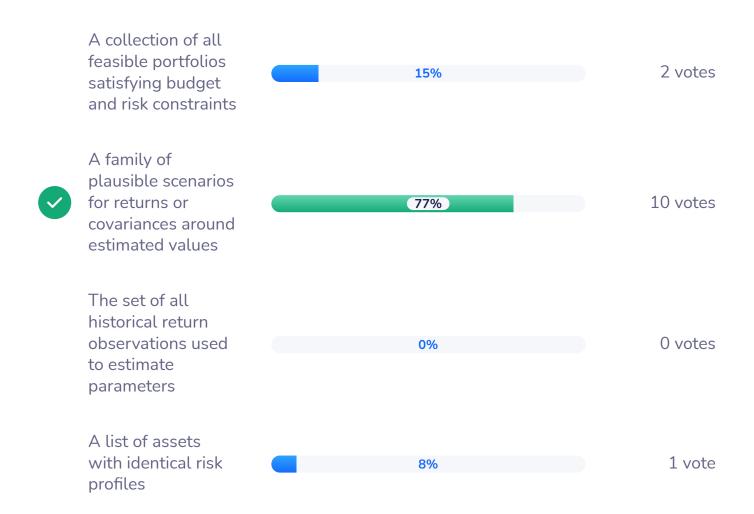
14 correct answers out of 14 respondents





2. An "uncertainty set" in robust MVO represents:

10 correct answers out of 13 respondents



Compared to the classic (nominal) 3. MVO, a robust MVO solution typically:

11 correct answers out of 11 respondents

	Allocates more weight to high-return but volatile assets	0%	0 votes
	Is identical when input estimates are exact	0%	0 votes
•	Sacrifices some expected return to limit downside under worst-case scenarios	100%	11 votes
	Always yields a sparser (fewer- asset) portfolio	0%	0 votes



4. Box vs. ellipsoidal uncertainty sets differ conceptually in that:

8 correct answers out of 10 respondents

Box sets allow each parameter to vary independently, 8 votes 80% while ellipsoidal sets capture joint deviations Ellipsoidal sets are always larger, hence more 0 votes 0% conservative, than box sets Box sets require knowledge of covariance, while 1 vote 10% ellipsoidal sets do not They lead to the same portfolio 1 vote 10% when risk aversion is zero



One key benefit of formulating 5. robust MVO as a single-stage problem (rather than min-max) is:

9 correct answers

out of 13 respondents

