Week 7 Self Assessment 3

Due Oct 7 at 8:59pm **Points** 10 **Questions** 10 **Available** Sep 27 at 5am - Oct 14 at 8:59pm 18 days
Time Limit None **Allowed Attempts** Unlimited

Instructions

Self Assessment 3 covers the topics in **Week 7** and is worth **1% of your overall grade**. You may work on the homework for as long as you like within the given window. Please note that your answers will automatically save as you key them and you are allowed multiple attempts. Again, please note, **you should only click "submit" when you are completely finished with the assignment and ready to submit it for grading**.

Also, please remember that you are to complete this assignment on your own. Any help given or received constitutes cheating. If you have any general questions about the assignment, please post to the Piazza board. **If your question involves specific references to the answer to a question or questions, please be sure to mark your post as private**.

Good luck!

Take the Quiz Again

Attempt History

	Attempt	Time	Score
KEPT	Attempt 3	22 minutes	10 out of 10
LATEST	Attempt 3	22 minutes	10 out of 10
	Attempt 2	3 minutes	7 out of 10
	Attempt 1	29 minutes	2 out of 10

ⓘ Correct answers are hidden.

Score for this attempt: **10** out of 10
Submitted Oct 5 at 7:05am
This attempt took 22 minutes.

Question 1

1 / 1 pts

Suppose two portfolios have the same average return, the same standard deviation of returns, but portfolio A has a higher beta than portfolio B. According to the Treynor measure, the performance of portfolio A _____.

- is better than the performance of portfolio B
- is the same as the performance of portfolio B
- (•) is poorer than the performance of portfolio B
- cannot be measured as there is no data on the alpha of the portfolio

Question 2

1 / 1 pts

A trader sends a market order to buy 1000 shares in the following limit-order book: Her average fill price is:

Top of the limit order book		
	Shares	**Price**
Asks ------>	3600	125.90
	1400	125.50
	2200	125.00
	200	124.90
	400	124.30
<------ Bids	100	124.20
	700	123.30
	1500	123.15
	1800	123.10
	2300	123.00

- 124.20
- 124.30
- 124.65
- 124.70

Question 3

1 / 1 pts

Suppose that you invest $10,000 into Home Depot stocks and incur a 0.60% fee when you buy. Shares then rise 8% and you sell them while incurring another 0.80% cost. What is your net return?

- 6.73%
- 5.00%
- (•) 6.49%
- 3.20%

Question 4

1 / 1 pts

Which of the following is not one of the types of market efficiency

- Weak form
- (•) Semi-weak form
- Semi-strong form
- Strong form

All of the above

Question 5

1 / 1 pts

According to the video lectures, one way to test the market efficiency is:

Compare the performance of professionally managed mutual funds with the performance of an individual investor

Compare the performance of professionally managed mutual funds with the performance of a market index

Question 6

1 / 1 pts

Which of the following is incorrect about efficient markets:

Efficient markets are the result of intense competition

In an efficient market, security prices adjust rapidly to infusion of new information, and therefore current security prices fully reflect all available information

Average returns of a mutual-fund manager are the same as those of average investor in the market as a whole

There should be possibility to consistently generate alpha or to outperform a passive benchmark in an efficient market

Question 7

1 / 1 pts

Which of the following is an aspect of investor behavioral bias:

Anchoring

Loss Aversion

Recency effect

Overconfidence

All of the above

Question 8

1 / 1 pts

Markets can be perfectly efficient.

- a. True
- b. False

Question 9

1 / 1 pts

Which of the following statements is(are) true if the efficient market hypothesis holds?

- It implies perfect forecasting ability
- It implies that the market is irrational and prices follow a particular pattern
- It implies that prices reflect all available information

Question 10

1 / 1 pts

The weak form of the efficient market hypothesis implies that

- (•) Security prices reflect all information found in past prices and volume
- ( ) Past price changes can be used to predict future price changes
- ( ) Only major market events can be predicted
- ( ) Security prices reflect all publicly available information

Quiz Score: **10** out of 10