**Sensitivity and Volatility**

*Sensitivity:*

Formula: **Yn= Stock risk/Portfolio risk**

Y1= 0.00256/0.0014= 1.82

Y2= 0.00714/0.0014= 5.1

Y3= 0.06964/0.0014= 49.7

*- Y3 is the variable that is the most affected by sensitivity, meaning that as one relevant independent variable (cause factor) will change, Y3 will change as well in a greater proportion than the other variables.*

*Risk:*

Formula: **Y/Standard Deviation**

Y1= 1.82/0.00256= 710.9

Y2= 5.1/ 0.00714=714.2

Y3= 49.7/ 0.06964= 713.6

*- Y2 is the riskier security insofar as it has the highest risk value, and Y1 is the smallest risk in comparison with the rest.*