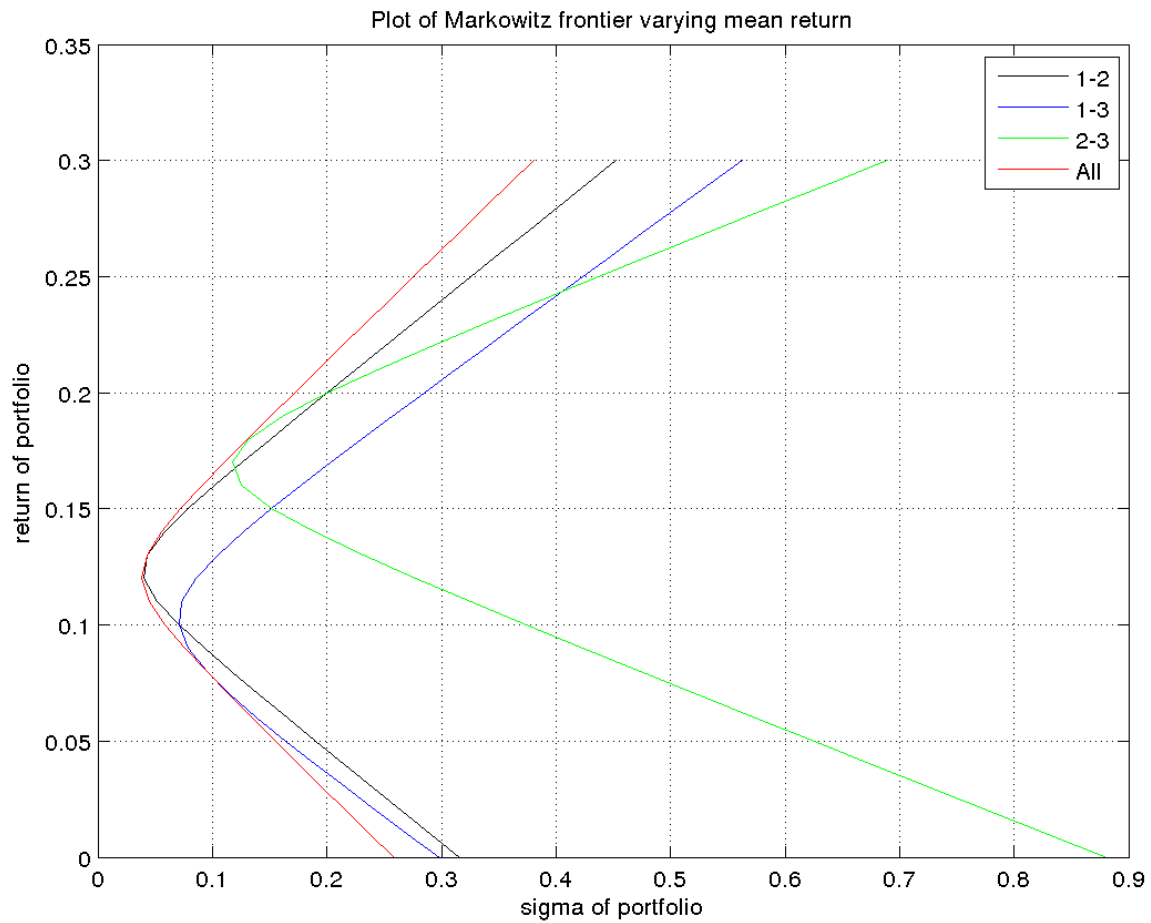
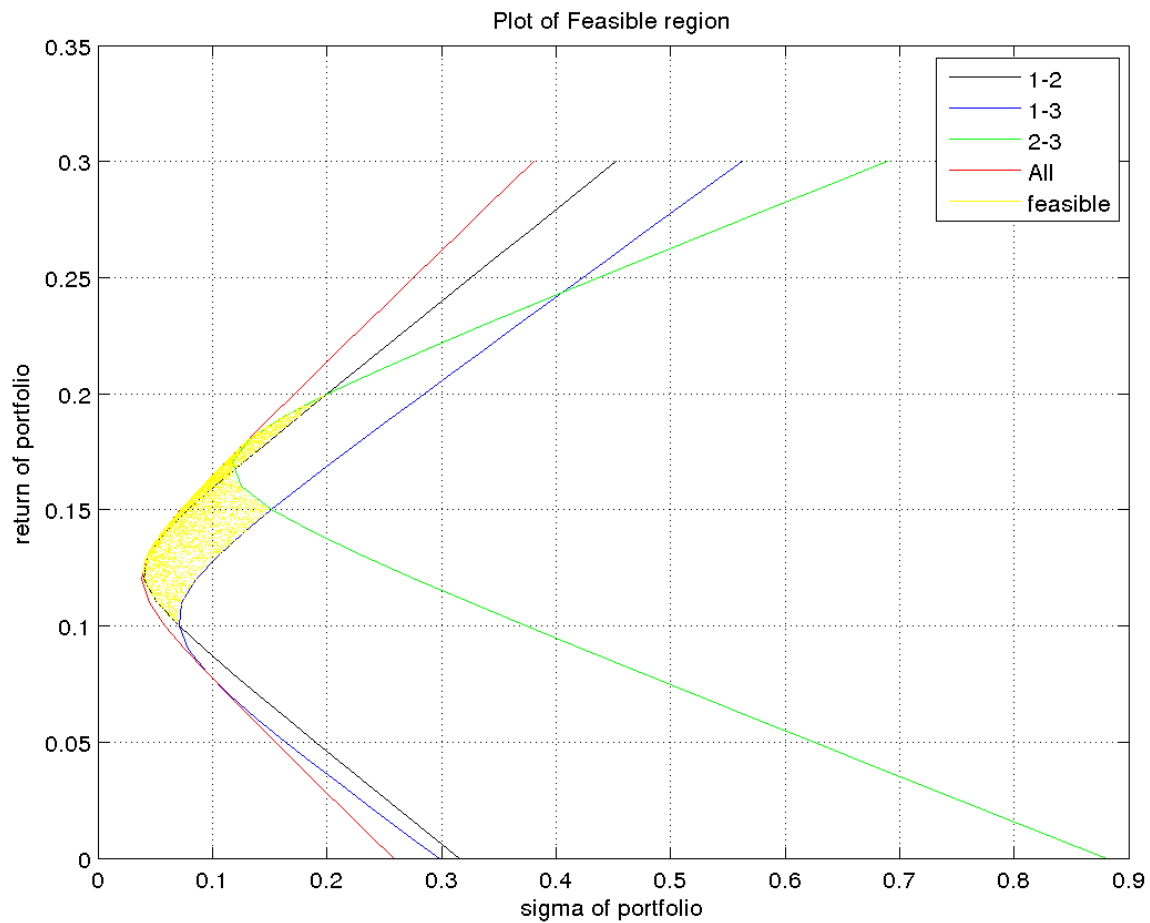


1 a.



The feasible region is given by:



The weight equation is given by:

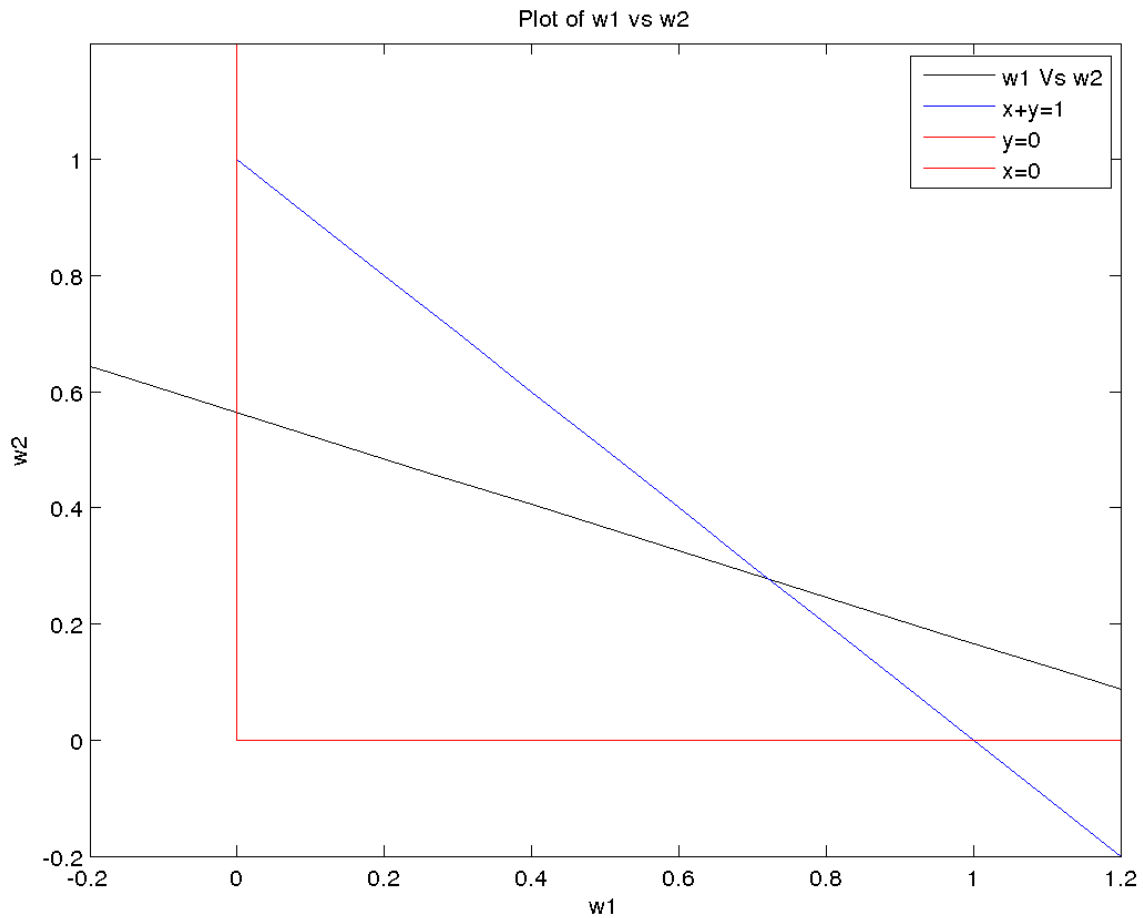
$$w_1 = 278/109 - (1560 \cdot p)/109,$$

$$w_2 = (620 \cdot p)/109 - 49/109,$$

$$w_3 = (940 \cdot p)/109 - 120/109$$

where p is the return of the portfolio.

By plotting w_1 vs w_2 we get:



The intersection point of $x+y=1$ with w1 vs w2 shows that the value of $w_3=0$ at that point.

2.

Values of Beta for bse indexed for all 10 stocks are :

2.5924	7.8200	3.2783	20.4147	1.9642	6.4435
1.8478	4.8490	2.4868	0.0336		

Values of Beta for bse non-indexed for all 10 stocks are :

1.2354	4.0483	-0.2759	-0.3363	0.5233	-0.0763
6.3481	4.0977	1.7560	4.5941		

Values of Beta for nse indexed for all 10 stocks are :

5.1952	5.0821	4.1228	4.0638	1.9081	11.2026
8.0336	1.9682	1.8892	5.2775		

Values of Beta for nse non-indexed for all 10 stocks are :

4.7400	0.7467	2.6398	0.6630	1.6079	3.7564
5.5485	0.3539	0.8213	5.6021		

Values of Beta greater than 3 or 4 denotes highly volatile assets. The stocks having Beta greater than 1 denotes stocks which are very strongly influenced by day-to-day market news, or by the general health of the economy. A negative beta simply means that the stock is inversely correlated with the market. When Beta is equal to zero, it simply means that movement of the asset is uncorrelated with the movement of the benchmark. When Beta is 1 movement of the asset is generally in the same direction as, and about the same amount as the movement of the benchmark while when beta is in between 0 and 1 , Movement of the asset is generally in the same direction as, but less than the movement of the benchmark.