ECON30024
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Tutorial 6 (for Week 7)[1]

1. Review Quiz 6 questions.
2. Consider Q3 in Tutorial 5, and now suppose a risk-free asset is not available, and the other assumptions of the CAPM remain valid. How should the SML be constructed and interpreted in this case?
3. What is the arbitrage equilibrium price of asset C in the example below?

	Asset A	Asset B	Asset C
State 1	9	0	12
State 2	4	8	6
Price	5	4	?

[1] As you have the mid-semester exam in this week, this tutorial is relatively short.