

25/01 560 FINANCIAL MARKETS

Course Overview

M1: Credit Risk and Financing

M2: Return and Volatility

FM Forum M2

LESSON 1: INTRODUCING STOCKS AND CRYPTOCURRENCIES

Required Readings

Lesson Notes

LESSON 2: TYPES OF STOCKS AND CRYPTOCURRENCIES

Required Readings

Lesson Notes

LESSON 3: MEASURING THE PERFORMANCE OF STOCKS AND CRYPTOCURRENCIES

Lesson Notes

LESSON 4: MODELING THE PERFORMANCE OF STOCKS AND CRYPTOCURRENCIES

Lesson Notes

MODULE 2 SUMMARY

Return and Volatility Screencast

ASSESSMENTS

FM Collaborative Review Task 1

FM Practice Quiz M2

FM Graded Quiz M2

M3: Correlation

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FM Graded Quiz M2

Question 3

ABC stock just paid dividend of \$2 per share. The current dividend growth rate is 10%. It is expected that the dividend growth rate will gradually decline to 3% in 10 years. The cost of equity is 9%. What is the fair value of ABC stock?

- ☐ \$50.12
- ☒ \$52.89
- ☐ \$38.67
- ☐ \$46.00

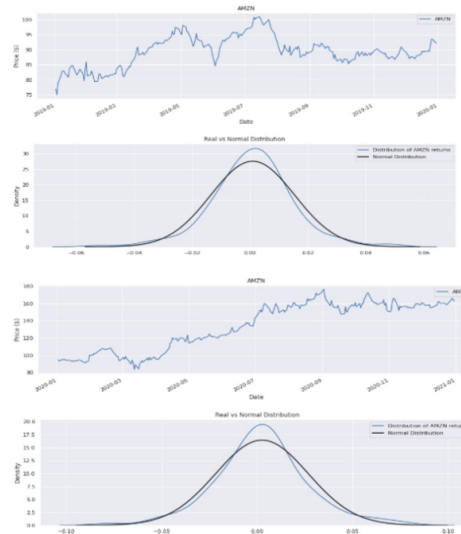
Incorrect

QUESTIONS

- 1 2 3 4 5
- 6 7 8 9 10
- 11 12 13 14 15
- 16

Question 15

The 4 graphs show Amazon's stock price movements and return distributions in 2019 and 2020 respectively. Which of the statements below is not correct?



- ☐ Excess kurtosis in return distribution in 2019 is greater than 0
- ☐ When Amazon stock price was more volatile during 2020, its return distribution had fatter tails and a lower peak
- ☐ Return distributions for both periods are slightly skewed to the right, making Amazon stock have higher probabilities to make major gains than major losses.
- ☒ Return distributions for both periods are not normally distributed

Incorrect

