Homework 01

Due Sunday Oct 10, 2021, 11:59 pm

Objective:

- Access and download data from WRDS
- Replicate an Index
- Reconstitute annually, rebalance quarterly
- Compare returns with official Index, a passive ETF, and passive Mutual Fund

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In groups (formed in class, see syllabus for constraints), replicate both the **S&P 500 Index** and the **Dow Jones Industrial Average Index** for the last **10 years** (12/31/2010 to 12/31/2020). For both indices, you will **reconstitute annually** and **rebalance quarterly**.

In addition, you will have to compare (i.e. returns, standard deviation, etc.) your indices to the actual Index, a passive ETF and Mutual Fund of each index.

To download the data, use your **WRDS** account.

Each group's submission must include:

- Fully documented/commented Python/R code
- **1-page** PDF document with your results and comparison (e.g. graphs and tables). Document main steps and make assumptions when appropriate. Do not submit more than 1 page. Anything after the first page will not be graded.