

1. A portfolio's value increases by 18% during a financial boom and by 9% during normal times. It decreases by 12% during a recession. What is the expected return on this portfolio if each scenario is equally likely?

- (A) 4%
- (B) 5%
- (C) 6%
- (D) None of the above

2. Ice cream usually comes in boxes with volume 48 fluid ounces, with a variance of 1. Ice cream scoops hold about 2 ounces, with a variance of 0.0625. What is the variance of the amount of ice cream left in the box after you scoop out one scoop of ice cream?

(A) 1.0625

(B) 0.9375

(C) None of the above

3. Scores on the Quantitative Reasoning GRE are normally distributed with mean 153 and standard deviation 7.67. If Julie scored in the 80th percentile, what was her score?

(a) 150

(b) 153

(c) 159

(d) 170

4. 2% of the transistors produced by a machine are defective. On average, how many transistors would you expect to be produced before the first with a defect?

- (A) 100
- (B) 50
- (C) 25
- (D) None of the above