

## Econ 301 Assignment #2

Due to October 11, 2017 Wednesday 22:30

1. Decide on the time period and definition of data that you like to work with. You should have at least 46 observations.
2. Gather monthly data of the price of the equity (of the firm) you choose.
3. Gather monthly data of BIST1000 (index).
4. Gather data for at least two variables that affect the profitability of the firm (say variable Z1 and Z2).
5. Plot the BIST100 and price of your equity.
6. Plot the Z1 and Z2 data.
7. Calculate returns of stock of your picking and BIST1000 index with the formula below. [Hint: you may use average or the end of period data]

$$\text{Return} = 100 * (X_t - X_{t-1}) / X_{t-1}$$

8. Plot the returns for both BIST return and equity return of your choice.
9. Report the mean, standard deviation (SD), coefficient variations (SD/mean) of two returns.

	Mean	SD	CV
Firm Return	??	??	??
BIST 100	??	??	??

10. What do you observe? Write. Which mean is larger? Which SD is larger? Which Coefficient of Variation is larger? What do you think their reasons?