Quiz 15 for Oct 19

Started: Oct 14 at 3:22am

Quiz Instructions

Complete this quiz by 11:00 a.m. on Wednesday October 19.

Question 1

1 pts

8 different assets each have a standard deviation of return equal to 0.34. Each of the assets' returns have zero covariance with all of the others. If a portfolio is formed that allocates equal amounts to these 8 assets, what will be the standard deviation of the return on the portfolio?

State your answer to the third decimal point, e.g., 0.215 .

0.12

Question 2

1 pts

A large number of assets all have the same standard deviation of returns equal to 0.30. They all have the same correlation of returns, equal to 0.25. By combining a large number of these assets in a portfolio, what is the portfolio return's minimum possible standard deviation?

State your answer to the third decimal point.

0.15

Question 3

1 pts

It is possible to create a portfolio of two assets that will have zero risk if the assets' returns

- [x] have zero correlation.
- [ ] have any correlation.
- [x] are perfectly negatively correlated.
- [ ] are perfectly positively correlated.

Question 4

1 pts

A portfolio is allocated between two risky assets whose returns are imperfectly correlated such that $-1 < \rho < 1$. When graphed in σ_p, $\overline{R}_p$ space, the mean-variance efficient fronter is

- ◯ a positively-sloped straight line
- ◯ a negatively-sloped straight line.

- [ ] a parabola
- [x] the upper arc of a hyperbola.

Question 5

1 pts

Ask one or more questions or make one or more comments on the material covered in this class.

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12pt Paragraph B I U A T²

what is the difference between hyperbola and parabola?

p 8 words </>

Quiz saved at 4:06am

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