## 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

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.

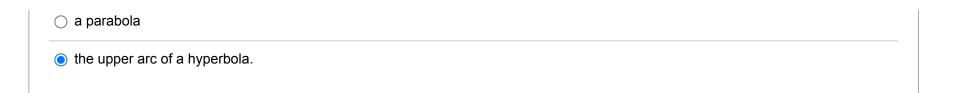
0.15			

	Question 3	1 pts
	It is possible to create a portfolio of two assets that will have zero risk if the assets' returns	
	✓ have zero correlation.	
	☐ have any correlation.	
	✓ are perfectly negatively correlated.	
	are perfectly positively correlated.	

Question 4

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

- o a positively-sloped straight line
- $\bigcirc$  a negatively-sloped straight line.



## **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  $\vee$  Paragraph  $\vee$  B I  $\underline{\cup}$   $\underline{A} \vee \underline{\mathscr{D}} \vee \top^2 \vee$  :

what is the difference between hyperbola and parabola?



Quiz saved at 4:06am

Submit Quiz