Assignment 1

The due date for submitting this assignment has passed.

As per our records, you have not submitted this assignment.

Due on 2019-09-14, 23:59 IST.

1. Linear programming techniques that help in making decisions are:
   - Resource allocation
   - Resource optimization
   - Resource constraints
   - All of the above
   - Not the answer to question
   - Accepted Answer: Resource allocation

2. Which of the following is NOT a linear programming property?
   - Relationships are nonlinear
   - Constraints that the decision in which the objective can be obtained
   - There must be alternatives available
   - Problem seek to maximize or minimize an objective
   - Not the answer to question
   - Accepted Answer: Relationships are nonlinear

3. Which of the following is NOT an assumption of linear programming?
   - Number of objective and control variables is known with certainty
   - Proprietary by states in objective and constraints
   - The total number of activities is equal to the sum of individual activities
   - Divisibility is not possible which implies that solutions cannot be fractional
   - Not the answer to question
   - Accepted Answer: Proprietary by states in objective and constraints

4. In/utility theory property of non-motion linear:
   - Between two certain investments we always take the one with the largest outcomes
   - Utility maximization cannot be satisfactorily
   - $U(w_1, w_2) = 0$ when $w_2$ is utility for wealth $w_1$
   - All variables are non-negative because quantity of physical good or person etc., may not be negative
   - Not the answer to question
   - Accepted Answer: Between two certain investments we always take the one with the largest outcomes

5. Considering $U(W)$ utility for wealth $W$ of the following is true?
   - $(U(W) + U(W)) = 0$ risk aversion
   - $(U(W) + U(W)) = 0$ risk neutral
   - $(U(W) + U(W)) = 0$ risk seeker
   - Accepted Answer: $(U(W) + U(W)) = 0$ risk seeker

6. Which of the following defines marginal utility function?
   - Marginal utility function looks like a concave function & risk adverse
   - Marginal utility function looks like a linear function & risk neutral
   - Marginal utility function looks like a convex function & risk seeker
   - Accepted Answer: Marginal utility function looks like a convex function & risk seeker

7. Which of the following specifies correct risk behavior of an investor?
   - Marginal utility rate is decreasing at a decreasing rate & risk aversion
   - Marginal utility rate is increasing at a decreasing rate & risk neutral
   - Marginal utility rate is increasing at a constant rate & risk seeker
   - Not the answer to question
   - Accepted Answer: Marginal utility rate is increasing at a constant rate & risk seeker

8. Which of the following is true for Absolute Risk Aversion Property ARA?
   - Decreasing absolute risk aversion $A(R/x) = A(R/x) + A(R/x)
   - Constant absolute risk aversion $A(x) = A(x) = A(x) = A(x)$
   - Increasing absolute risk aversion $A(x) = A(x) = A(x) = A(x)$
   - Not the following
   - Accepted Answer: Decreasing absolute risk aversion $A(R/x) = A(R/x) + A(R/x)$

9. Which of the following is NOT true for Relative Risk Aversion Property RRA?
   - Decreasing relative risk aversion $P(R-x) = P(R-x) + P(R-x)
   - Constant relative risk aversion $P(R) = P(R) = P(R) = P(R)$
   - Increasing relative risk aversion $P(R-x) = P(R-x) = P(R-x) = P(R-x)$
   - Not the following
   - Accepted Answer: Decreasing relative risk aversion $P(R-x) = P(R-x) + P(R-x)$