Assignment 6
The due date for submitting this assignment has passed.
As per our records you have not submitted this assignment.

1) If \( E[R] = x^2 + x^2 \), then \( E[R] \) equals:

1. 1
2. 2
3. 3
4. 4
5. 5

No, the answer is incorrect.
Score: 0
Accepted answers:

2) Let \( S = 3W \). If \( E[W] = \alpha + \beta - \gamma \), with \( W = 10 \), then \( \alpha + \beta - \gamma \) equals:

1. 1
2. 2
3. 3
4. 4
5. 5

No, the answer is incorrect.
Score: 0
Accepted answers:

3) If \( \text{Log}(W) \), is a normal distribution then which of the following is true:

1. \( r_1 \) is normal
2. \( r_1 \) is log normal
3. \( \log(r_1) \) is normal
4. \( r_1 \) is log normal
5. \( \log(r_1) \) is log normal

No, the answer is incorrect.
Score: 0
Accepted answers:

4) Consider a daily asset with five historical returns, 95, 65, 7.55, 5.25% and 3.85. Then the CAGR (in percentage) equals:

No, the answer is incorrect.
Score: 0
Accepted answers:

5) If the returns are normally distributed with \( r_2 - r_1 \), then the most preferred portfolio, using the Roy's Safety First Criterion is the one given by:

Fitted \( S_1 \) and largest \( r_2 \)
Fitted \( S_1 \) and smallest \( r_2 \)
Fitted \( r_2 \) and largest \( S_2 \)
Fitted \( r_2 \) and smallest \( S_2 \)
No, the answer is incorrect.
Score: 0
Accepted answers:

6) Consider the following Table:

<table>
<thead>
<tr>
<th></th>
<th>Portfolio A</th>
<th>Portfolio B</th>
<th>Portfolio C</th>
</tr>
</thead>
<tbody>
<tr>
<td>( E(r_p) )</td>
<td>10%</td>
<td>12%</td>
<td>14%</td>
</tr>
<tr>
<td>( \sigma_p )</td>
<td>9%</td>
<td>11%</td>
<td>13%</td>
</tr>
</tbody>
</table>

If \( r_2 = 4\% \) and the returns are normally distributed, then the most preferred portfolio(s) using the Roy's Safety First Criterion is:

Portfolio B
Portfolio C
Portfolio A and C
Portfolio A and B
No, the answer is incorrect.
Score: 0
Accepted answers:

7) If the returns are normally distributed, then the most preferred portfolio, using the Karlin's Safety First Criterion is the one given by:

Smallest \( r_2 \), with \( r_2 = E(r_p) + \omega \sigma_p \)
Largest \( r_2 \), with \( r_2 = E(r_p) + \omega \sigma_p \)
Smallest \( r_2 \), with \( r_2 = E(r_p) - \omega \sigma_p \)
Largest \( r_2 \), with \( r_2 = E(r_p) - \omega \sigma_p \)
No, the answer is incorrect.
Score: 0
Accepted answers:

8) If the returns are normally distributed, then the least value of the expected return of a portfolio, for the Tidjar's Safety First Criterion to be applicable is:

No, the answer is incorrect.
Score: 0
Accepted answers:

9) \( \chi^2 = \omega \sigma_p \)