1. Any 100 shares Price falls by more than any dividend paid while short.

\[ r \left( \frac{1}{2} \right) = 1.05^{\frac{1}{2}} \cdot r \left( \frac{1}{12} \right) = \left( 1 + r \left( \frac{1}{12} \right) \right)^{\frac{1}{12}} \]

2. $\frac{3}{4}$

3. Lower

4. Increase profits, reduce cash flow

5. Use it to calculate: Correlation between the two stocks, calculate (standard deviation of a portfolio) of the two stocks, tell, if stocks move in same or opposite direction.

6. Beta of stocks, investment in each stock

7. \[ ( - 2.09 + (65 - 60) ) \times 100 \]

8. Falls, offset by reduction in beta

9. It signals (mgf's confidence) in the firm

10. (Worse off) is value of stock drops.