

Spring 2012: Final

1:25 A

9A

1. someone has submitted a ^{✓✓} limit order to buy ^{✓✓✓✓} @ \$609.94
If you submit a market order to sell, ^{✓✓✓✓} this is the price you will receive

~~2. $r(\frac{1}{4}) = \frac{.025}{4}$; $r(\frac{1}{2}) = (1 + r(\frac{1}{4}))^2 - 1$~~

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+15 3. smaller ^{ends now +3}

+7/48 4. reduce profits, increase cash flow

+15 5. The returns ^{tend to} move opposite to each other
or: when the return on one is above its mean,
the other tends to be below its mean

+7/45/43 6. Expected return on the portfolio, risk free rate,
standard deviation on portfolio

7. $(+1.27 + (65 - 70)) \times 100$

+8/47 8. Falls, falling ^{beta} risk offsets

+12/43 9. It signals (mgt's confidence) in the firm.

+10/45 10. Risk free bond + short put on firm's assets