4:00 Quiz: 2/20/12   Name _____

Quiz: Given the following information, calculate the standard deviation of returns on Exxon Mobil (XOM) and Johnson & Johnson (JNJ), the covariance between the returns on these two stocks, and the standard deviation of returns you can expect if you invest $100,000 in Johnson & Johnson and $400,000 in Exxon Mobil. (Assume that these past returns are representative for both firms).

	Return on:	
Year	XOM	JNJ
2011	+6%	+14%
2010	+29%	-2%
2009	-14%	+13%
2008	-9%	-6%

Note: You don't have to solve anything, just set everything up.

Note: Bonus WSJ Questions on back of page