

2:30 Quiz: 2/29/12

Name _____

Quiz: Use the following information to calculate the beta of and required return on MRK (Merck) if the market risk premium is 6% and the risk-free rate is 2%.

	Return on:	
<u>Year</u>	<u>MRK</u>	<u>S&P500</u>
2011	+21%	+2%
2010	-9%	+20%
2009	+41%	+30%
2008	-35%	-40%

Note: You don't have to solve anything. Just set up the appropriate equations and plug in all possible numbers.

Note: Bonus WSJ Questions on back of page