GU 2012

Key to 1:15b

Problems

5. +7 $\beta_{SS} = \dfrac{Cov(R_{SS}, R_{S\&P})}{var(R_{S\&P})}$

+7 $Cov(R_S, R_{S\&P}) = \frac{1}{3}\left((9-\bar{R}_{SS})(14-\bar{R}_{S\&P}) + (12-\bar{R}_{SS})(16-\bar{R}_{S\&P}) + (54-\bar{R}_{SS})(3-\bar{R}_{S\&P}) + (0-\bar{R}_{SS})(-20-\bar{R}_{S\&P})\right)$ (25)

+4 $\bar{R}_{SS} = \frac{1}{4}(9+12+54+0)$ (6)

+4 $\bar{R}_{S\&P} = \frac{1}{4}(14+16+3-20)$ (10)

+7 $var(R_{S\&P}) = \frac{1}{3}\left((14-\bar{R}_{S\&P})^2 + (16-\bar{R}_{S\&P})^2 + (3-\bar{R}_{S\&P})^2 + (-20-\bar{R}_{S\&P})^2\right)$ (13)

+8 b. $\beta_A = \left(\frac{100}{120}\right)\beta_{SS} + \left(\frac{20}{120}\right)(0.2)$ (14)

+2 +2 +2