Quiz #1

1. Time Value of Money
   1.1 Discounting and Compounding
   1.2 PV and FV of a CF streams
   1.3 The frequency of Compounding

2. Risk and Return
   2.1 Parameters of the Return Distribution (expectations, variances, std, covariances and correlations of returns)
   2.2 The definition and implications of risk aversion
   2.3 Mean Variance criterion for mutually exclusive assets
   2.4 Portfolio return – Expectation and Variance (STD).

Quiz #1

☺ Bring your own formulas – One page (letter) with formulas printed or written on one side

☺ Bring your calculator
   o Make sure that it works
   o Make sure that you know how to use it

☺ Four or five open questions, 90 minutes.
   o Write down the data and the details of your calculations
   o Simple questions are not a trap
   o Read each question carefully and make sure that you are providing the solution that the question is seeking