

Stock A has a beta of 0.8, Stock B has a beta of 1.0, and Stock C has a beta of 1.2. Portfolio P has equal amounts invested in each of the three stocks. Each of the stocks has a standard deviation of 25%. The returns on the three stocks are independent of one another (i.e., the correlation coefficients all equal zero). Assume that there is an increase in the market risk premium, but the risk-free rate remains unchanged. Which of the following statements is correct? Answers: a-The required returns on all three stocks will increase by the amount of the increase in the market risk premium. b-The required return on Stock A will increase by less than the increase in the market risk premium, while the required return on Stock C will increase by more than the increase in the market risk premium. c-The required return of all stocks will remain unchanged since there was no change in their betas. d-The required return on the average stock will remain unchanged, but the returns of riskier stocks (such as Stock C) will decrease while the returns on safer stocks (such as Stock A) will increase. e-The required return on the average stock will remain unchanged, but the returns of riskier stocks (such as Stock C) will increase while the returns of

safer stocks (such as Stock A) will decrease.

Answer:

b-The required return on Stock A will increase by less than the increase in the market risk premium, while the required return on Stock C will increase by more than the increase in the market risk premium.

Explanation:

Beta reflects the risk associated, as the beta is low, the expected risk is also low, accordingly return expected is also keeping all things constant.

When Beta is less than 1 it means the returns will be lower than market, accordingly for Stock A the return will increase but slower than the market risk.

Whereas, the Beta is more than 1 of Stock B and accordingly the risk is more but return will grow even faster as the risk volatility is high than the market risk.

What is a good concluding paragraph for the negative affects of social media?

Please Im begging I need help Whoever is right and helps the most gets the most points Pleaseeee In 1765 Parliament passed the Stamp Act, which _____.

required colonists to house and feed British troops in exchange for stamps

required colonists to buy stamps to put on legal documents

declared that Parliament had total authority over the colonies

required colonists to boycott British goods

What territory did the British receive from France at the conclusion of the Seven Years' War (French and Indian War)?

Spanish Florida and New Orleans

French Canada, Spanish Florida, and all territory east of the Mississippi River, except for New Orleans

French Canada and all territory north of the Ohio River and east of the Mississippi River

all of French Canada, New Orleans, and French territory west of the Mississippi

Leif took out a payday loan with an effective interest rate of 26,600%. If he has \$180 to invest for a year at this interest rate, how much would he make in interest?

What is represented by the base root of a phylogenetic tree? the extinction of the species the origin of the species evolution of populations over time where a population splits into two.

Black codes and Jim Crow laws were attempts by Americans to legalize _____.

- segregation and discrimination

- redlining

- filtering

- deterioration

You work for a furniture moving company. Your boss sends you to the hardware store to buy tie down rope. He tells you to buy the best deal. What is the best deal on rope? A) 10 feet for \$7.00

B) 20 feet for \$13.00

C) 50 feet for \$28.00

D) 100 feet for \$57.50

What is the direction of the net force that acts on an object undergoing uniform circular motion? A. The direction of the force is opposite to the object's motion.

B. The direction of the force is the same as the object's motion.

C. The direction of the force is away from the center of the object's circular path.

D. The direction of the force is toward the center of the object's circular path.

I NEED QUICK BIOLOGY HELP! Identify the structure that protects and gives support to this plant cell.

A) vacuole

B) cell wall

C) cytoskeleton

D) cell membrane

Which item refers to an element of the context of a procedural document? A) bullet points

B) audience

C) timeline

D) media

In which city would use more air conditioning- Denver or Miami

Antony was measuring the temperature of a solution when he accidentally dropped the thermometer on the floor. What should Antony immediately do next?

Choose the correctly punctuated sentence. (5 points) Select one:

- a. "Help me" he screamed at the top of his lungs.
- b. "Help me"! he screamed at the top of his lungs.
- c. "Help me!" he screamed at the top of his lungs.
- d. "Help me," he screamed at the top of his lungs!

The chip thickness ratio is which one of the following: (t_c = chip thickness after the cut, t_o = chip thickness before the cut, f = feed, d = depth, and w = width of cut) a. t_c/t_o b. f/d c. t_o/t_c d. t_o/w

Evan said that the difference between two negative numbers must be negative. Was he right?

Wave speed (v) is equal to the product of what two components? A) Frequency and wavelength

B) Period and frequency

C) Frequency and amplitude

D) Amplitude and wavelength

"the taller you are, the faster your heart rate." this hypothesis is _____, but not

Derek wants to win the student of the year award so badly that when the name of the award winner is announced, he is convinced that he hears his name. He stands up and begins to leave the aisle when his friend grabs his hand. Someone else won the award. This illustrates how _____ can affect perception.

Too _____ of a speech will cause the listener to lose interest.

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