Basic Investment Management Statistics

QUIZ

Use the following data for the next 2 questions.

Year	% per annum
2015	-7
2016	12
2017	15
2018	3
2019	10

1. Given the returns above, what is the mean return per annum ? .

   A. 8.75%
   B. 8.2%
   C. 6.6%
   D. 8.45%

2. Given the returns above, what is the population variance of the returns

   A. 0.006194
   B. 0.006184
   C. 0.006284
   D. 0.006384

3. A client starts the year with a $5,000,000 portfolio. If 80% of the portfolio is invested in equities with a return of –8%, and 20% of the portfolio is invested in bonds with a 6% yield, what is the portfolio's total expected return for one year?

   A. –7.6%
   B. –5.2%
   C. –2.0%
   D. 3.1%

Use the following data for the next 2 questions.

Consider the following data. Assume that contributions are made at the **beginning of the year.**

Year	Year-End Value	Contributions
2017	$300	-
2018	$300	$20
2019	$310	$30

4. What is the time-weighted rate of return on the fund?

   A. -6.156%
   B. -6.151%
   C. 6.151%
   D. 6.156%

5. What is the dollar weighted rate of return on the fund?

   A. -6.156%
   B. -6.151%
   C. 6.151%
   D. 6.156%

6.

| | Observed Returns | |
Time Period	ANZ	Market (M)
1	0.20	0.05
2	-0.10	-0.04
3	0.12	0.05
4	0.05	0.10

   a. Compute the mean returns for ANZ and M.
   b. Compute the sample standard deviations for the returns of ANZ and M.
   c. Compute the covariance between returns for ANZ and M.
   d. Compute the correlation coefficient between the returns of ANZ and M.