

## Problem Set for Quiz 1.

Refer to the spreadsheet PS1data to answer the questions.

1. Construct the returns in each month for the 3 stocks in the spreadsheet: ITT, NOC, and WY.
2. Compute the expected monthly return and monthly return standard deviation for each of the 3 stocks.
3. Suppose that you buy 500 shares of each stock on June 29, 2018. Construct the 68, 95, and 99 percentile ranges for the value of each position on June 30, 2019.
4. Compute the expected monthly return and monthly return standard deviation for the CRSP value-weighted index.
5. Suppose that you have \$100,000 invested in the index on June 29, 2018. Construct the 68, 95, and 99 percentile ranges for the value of this position on June 30, 2019.

Remember while we use spreadsheets for ease and exposition, you will have to perform all of these computations with a calculator and a blank sheet of paper on the quiz.