**Maliiyə**

1. Portfolio ABC is composed of 0 assets. Each of the assets are equally represented in the portfolio (equal amount of funds are allocated to each asset). The individual asset variances and the assets correlation with the market portfolio (S&P500 Index) are given below. Based on the information given below, estimate the portfolio beta. Show each step of your calculation.

|  |  |  |
| --- | --- | --- |
|  | **Variance** | **Correlation** |
| Asset-1 | 0. | 0. |
| Asset-2 | 0. | 0. |
| Asset-3 | 0. | 0. |
| Asset-4 | 0. | 0. |
| Market Portfolio (S&P500) | 0.0 | 0. |

2. A bond with $00,000 face value and a coupon interest of 0%, pays interest quarterly. If the bond has 0 years to maturity and Bond Equivalent Yield (BEY) of 0%, what should be its price?

3. Last year ABC Inc. paid a dividend of $0 per share. The company expects 0% growth perpetually. Its stock is traded at $0 in the market. If the risk free rate of return is 0% and equity risk premium is 0%, what is the company’s beta?

4. AAA Systems is expected to pay a $0 dividend at year end (D1 = $0), the dividend is expected to grow at a constant rate of 0% a year, and the common stock currently sells for $0 a share. The before-tax cost of debt is 0%, and the tax rate is 0%. The target capital structure consists of 0% debt and 0% common equity. What is the company’s WACC if all equity is from retained earnings?

5. DDK Industries is considering a new capital budgeting project that will last for three years. The initial investment outlay for project equipment is expected to be 0,000. The equipment will be straight-line depreciated down to zero book value over the three year period. The expected market value of the project assets is forecasted to be $0,000 when the project is liquidated at the end of the third year.  The project will require $,000 Net Working Capital investments in years 1 and 2. The project does not require any investment in fixed assets during years 1 and 3, but a $0,000 investment is projected in year 2.  DDK’s cost of capital is 0% and the project does not have a distinct risk profile. DDK’s tax rate is 0%.  Based on extensive research, analysts have prepared the following incremental revenues and before tax costs:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year** | **0** | **1** | **2** | **3** |
| Sales (Revenues) |  | 00,000 | 00,000 | 00,000 |
| - Cost of Goods Sold (50% of Sales) |  | (0,000) | 0,000 | 0,000 |
| Depreciation |  | (XX,XXX) | (XX,XXX) | (XX,XXX) |
| EBIT |  | (XX,XXX) | (XX,XXX) | (XX,XXX) |
| Capital Expenditures | -0,000 | - | (0,000) | - |
| WCR |  | (7,000) | (,000) |  |

Note: Additional fixed capital investments are depreciated straight line over a three-year period; the first depreciation expense is deducted at the end of the year following the investment. The 0,000 liquidation value reflects enhancements realized through capital investments in fixed assets. Should DDK implement this project? Please use NPV and IRR decision rules and explain your decision.

6. ABC Inc. is evaluating a new project with a distinct risk profile that is different than its current line of business. The ABC intends to fund the project with 0% debt and 0% equity.  In an effort to determine the appropriate required return on its project ABC identifies 0 comparable companies with the following “equity betas” and “debt/equity” ratios.  While the comparable companies have varying marginal tax rates ABC’s marginal tax rate is 0%.

|  |  |  |  |
| --- | --- | --- | --- |
| **Company** | **Equity Beta** | **D/E Ratio** | **Marginal Tax Rate** |
| A | 0 | 0. | 0% |
| B | 0 | 0. | 0% |
| C | 0 | 0. | 0% |
| D | 0 | 0.0 | 0% |
| E | 0 | 0.0 | 0% |

Suppose credit spread for this project is 0%, risk free rate is 0% and EMRP is 0%. Based on the information given, estimate the following:

1. Asset and Equity Betas of the Project
2. Cost of Debt and Cost of Equity of the Project
3. Required Rate of Return on the Project

7. Portfolio ABC is composed of 0 assets. Each of the assets are equally represented in the portfolio (equal amount of funds are allocated to each asset). The individual asset variances and the assets correlation with the market portfolio (S&P500 Index) are given below. Based on the information given below, estimate the portfolio beta. Show each step of your calculation

|  |  |  |
| --- | --- | --- |
|  | **Variance** | **Correlation** |
| Asset-1 | 0. | 0. |
| Asset-2 | 0.0 | 0. |
| Asset-3 | 0.0 | 0. |
| Asset-4 | 0.0 | 0. |
| Market Portfolio (S&P500) | 0. |  |

8. A bond with $1,000 face value and a coupon interest of 0%, pays interest quarterly. If the bond has 5 years to maturity and Bond Equivalent Yield (BEY) of 0%, what should be its price?

9. Last year ABC Inc. paid a dividend of $0 per share. The company expects 0% growth perpetually. Its stock is traded at $0 in the market. If the risk free rate of return is 0% and equity risk premium is 0%, what is the company’s beta?

10. BBB Systems is expected to pay a $00 dividend at year end (D1 = $00), the dividend is expected to grow at a constant rate of % a year, and the common stock currently sells for $0 a share. The before-tax cost of debt is 0%, and the tax rate is 0%. The target capital structure consists of 0% debt and 0% common equity. What is the company’s WACC if all equity is from retained earnings?

1. DDK Industries is considering a new capital budgeting project that will last for three years. The initial investment outlay for project equipment is expected to be $0,000. The equipment will be straight-line depreciated down to zero book value over the three year period. The expected market value of the project assets is forecasted to be $0,000 when the project is liquidated at the end of the third year.  The project will require $,000 Net Working Capital investments in years 1 and 2. The project does not require any investment in fixed assets during years 1 and 3, but a $0,000 investment is projected in year 2.  DDK’s cost of capital is 0% and the project does not have a distinct risk profile. DDK’s tax rate is 0%.  Based on extensive research, analysts have prepared the following incremental revenues and before tax costs:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year** | **0** | **1** | **2** | **3** |
| Sales (Revenues) |  | 00,000 | 00,000 | 00,000 |
| - Cost of Goods Sold (50% of Sales) |  | (0,000) | 0,000 | 0,000 |
| Depreciation |  | (XX,XXX) | (XX,XXX) | (XX,XXX) |
| EBIT |  | (XX,XXX) | (XX,XXX) | (XX,XXX) |
| Capital Expenditures | -0,000 | - | (0,000) | - |
| WCR |  | (,000) | (,000) |  |

Note: Additional fixed capital investments are depreciated straight line over a three-year period; the first depreciation expense is deducted at the end of the year following the investment. The 0,000 liquidation value reflects enhancements realized through capital investments in fixed assets. Should DDK implement this project? Please use NPV and IRR decision rules and explain your decision.

1. ABC Inc. is evaluating a new project with a distinct risk profile that is different than its current line of business. The ABC intends to fund the project with 20% debt and 80% equity.  In an effort to determine the appropriate required return on its project ABC identifies 5 comparable companies with the following “equity betas” and “debt/equity” ratios.  While the comparable companies have varying marginal tax rates ABC’s marginal tax rate is 25%.

|  |  |  |  |
| --- | --- | --- | --- |
| **Company** | **Equity Beta** | **D/E Ratio** | **Marginal Tax Rate** |
| A | 0 | 0. | 0% |
| B | 0 | 0. | 0% |
| C | 0 | 0. | 5% |
| D | 0 | 0. | 0% |
| E | 0 | 0. | 0% |

Suppose credit spread for this project is 1.8%, risk free rate is 3% and EMRP is 5%. Based on the information given, estimate the following:

1. Asset and Equity Betas of the Project
2. Cost of Debt and Cost of Equity of the Project
3. Required Rate of Return on the Project
4. . Portfolio ABC is composed of 0 assets. Each of the assets are equally represented in the portfolio (equal amount of funds are allocated to each asset). The individual asset variances and the assets correlation with the market portfolio (S&P500 Index) are given below. Based on the information given below, estimate the portfolio beta. Show each step of your calculation

|  |  |  |
| --- | --- | --- |
|  | **Variance** | **Correlation** |
| Asset-1 | 0.0 | 0. |
| Asset-2 | 0. | 0 |
| Asset-3 | 0. | 0. |
| Asset-4 | 0. | 0. |
| Market Portfolio (S&P500) | 0.0 | 0 |

1. A bond with $0000 face value and a coupon interest of 0%, pays interest quarterly. If the bond has 0 years to maturity and Bond Equivalent Yield (BEY) of 0%, what should be its price?
2. . Last year ABC Inc. paid a dividend of $0 per share. The company expects 0% growth perpetually. Its stock is traded at $0 in the market. If the risk free rate of return is 3% and equity risk premium is 0%, what is the company’s beta?
3. CCC Systems is expected to pay a $0 dividend at year end (D1 = $0), the dividend is expected to grow at a constant rate of 6.0% a year, and the common stock currently sells for $0 a share. The before-tax cost of debt is 0%, and the tax rate is 0%. The target capital structure consists of 0% debt and 80% common equity. What is the company’s WACC if all equity is from retained earnings?
4. DDK Industries is considering a new capital budgeting project that will last for three years. The initial investment outlay for project equipment is expected to be 0,000. The equipment will be straight-line depreciated down to zero book value over the three year period. The expected market value of the project assets is forecasted to be $0,000 when the project is liquidated at the end of the third year.  The project will require $000 Net Working Capital investments in years 1 and 2. The project does not require any investment in fixed assets during years 1 and 3, but a $0,000 investment is projected in year 2.  DDK’s cost of capital is 0% and the project does not have a distinct risk profile. DDK’s tax rate is 0%.  Based on extensive research, analysts have prepared the following incremental revenues and before tax costs:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year** | **0** | **1** | **2** | **3** |
| Sales (Revenues) |  | 00,000 | 00,000 | 00,000 |
| - Cost of Goods Sold (50% of Sales) |  | (0,000) | 0,000 | 0,000 |
| Depreciation |  | (XX,XXX) | (XX,XXX) | (XX,XXX) |
| EBIT |  | (XX,XXX) | (XX,XXX) | (XX,XXX) |
| Capital Expenditures | -0,000 | - | (0,000) | - |
| WCR |  | (,000) | (,000) |  |

Note: Additional fixed capital investments are depreciated straight line over a three-year period; the first depreciation expense is deducted at the end of the year following the investment. The 0,000 liquidation value reflects enhancements realized through capital investments in fixed assets. Should DDK implement this project? Please use NPV and IRR decision rules and explain your decision.

1. ABC Inc. is evaluating a new project with a distinct risk profile that is different than its current line of business. The ABC intends to fund the project with 0% debt and 0% equity.  In an effort to determine the appropriate required return on its project ABC identifies 0 comparable companies with the following “equity betas” and “debt/equity” ratios.  While the comparable companies have varying marginal tax rates ABC’s marginal tax rate is 0%.

|  |  |  |  |
| --- | --- | --- | --- |
| **Company** | **Equity Beta** | **D/E Ratio** | **Marginal Tax Rate** |
| A | 0 | 0. | 0% |
| B | 0 | 0. | 0% |
| C | 0 | 0. | 0% |
| D | 0 | 0.0 | 0% |
| E | 0 | 0.0 | 0% |

Suppose credit spread for this project is 0%, risk free rate is 0% and EMRP is 0%. Based on the information given, estimate the following:

1. Asset and Equity Betas of the Project
2. Cost of Debt and Cost of Equity of the Project
3. Required Rate of Return on the Project
4. . Portfolio ABC is composed of 4 assets. Each of the assets are equally represented in the portfolio (equal amount of funds are allocated to each asset). The individual asset variances and the assets correlation with the market portfolio (S&P500 Index) are given below. Based on the information given below, estimate the portfolio beta. Show each step of your calculation

|  |  |  |
| --- | --- | --- |
|  | **Variance** | **Correlation** |
| Asset-1 | 0.0 | 0. |
| Asset-2 | 0. | 0. |
| Asset-3 | 0. | 0. |
| Asset-4 | 0. | 0. |
| Market Portfolio (S&P500) | 0.0 | 0 |

20. A bond with $0,000 face value and a coupon interest of 0%, pays interest quarterly. If the bond has 0 years to maturity and Bond Equivalent Yield (BEY) of 0%, what should be its price?

21. Last year ABC Inc paid a dividend of $0 per share. The company expects 0% growth in the next four years. From year 0 to 0 and thereafter, growth is expected to be constant 0% per year. What is the maximum price per share that an investor who requires a return of 0% should pay for ABC common stock?

22. DDD Systems is expected to pay a $0 dividend at year end (D1 = $0), the dividend is expected to grow at a constant rate of 0% a year, and the common stock currently sells for $0 a share. The before-tax cost of debt is 0%, and the tax rate is 0%. The target capital structure consists of 0% debt and 0% common equity. What is the company’s WACC if all equity is from retained earnings?

1. DDK Industries is considering a new capital budgeting project that will last for three years. The initial investment outlay for project equipment is expected to be $00,000. The equipment will be straight-line depreciated down to zero book value over the three year period. The expected market value of the project assets is forecasted to be $0,000 when the project is liquidated at the end of the third year.  The project will require $,000 Net Working Capital investments in years 1 and 2. The project does not require any investment in fixed assets during years 0 and 0, but a ,000 investment is projected in year 2.  DDK’s cost of capital is 0% and the project does not have a distinct risk profile. DDK’s tax rate is 35%.  Based on extensive research, analysts have prepared the following incremental revenues and before tax costs:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year** | **0** | **1** | **2** | **3** |
| Sales (Revenues) |  | 00,000 | 00,000 | 00,000 |
| - Cost of Goods Sold (50% of Sales) |  | (0,000) | 0,000 | 0,000 |
| Depreciation |  | (XX,XXX) | (XX,XXX) | (XX,XXX) |
| EBIT |  | (XX,XXX) | (XX,XXX) | (XX,XXX) |
| Capital Expenditures | -00,000 | - | (,000) | - |
| WCR |  | (,000) | (,000) |  |

Note: Additional fixed capital investments are depreciated straight line over a three-year period; the first depreciation expense is deducted at the end of the year following the investment. The 0,000 liquidation value reflects enhancements realized through capital investments in fixed assets. Should DDK implement this project? Please use NPV and IRR decision rules and explain your decision.

1. ABC Inc. is evaluating a new project with a distinct risk profile that is different than its current line of business. The ABC intends to fund the project with 00% debt and 00% equity.  In an effort to determine the appropriate required return on its project ABC identifies 0 comparable companies with the following “equity betas” and “debt/equity” ratios.  While the comparable companies have varying marginal tax rates ABC’s marginal tax rate is %.

|  |  |  |  |
| --- | --- | --- | --- |
| **Company** | **Equity Beta** | **D/E Ratio** | **Marginal Tax Rate** |
| A | 0 | 0. | 0% |
| B | 0 | 0. | 0% |
| C | 0 | 0. | 0% |
| D | 0 | 0. | 0% |
| E | 0 | 0. | 0% |

Suppose credit spread for this project is 0%, risk free rate is 0% and EMRP is 0%. Based on the information given, estimate the following:

1. Asset and Equity Betas of the Project
2. Cost of Debt and Cost of Equity of the Project
3. Required Rate of Return on the Project

25. Portfolio ABC is composed of 0 assets. Each of the assets are equally represented in the portfolio (equal amount of funds are allocated to each asset). The individual asset variances and the assets correlation with the market portfolio (S&P500 Index) are given below. Based on the information given below, estimate the portfolio beta. Show each step of your calculation.

|  |  |  |
| --- | --- | --- |
|  | **Variance** | **Correlation** |
| Asset-1 | 0.0 | 0. |
| Asset-2 | 0. | 0. |
| Asset-3 | 0.0 | 0. |
| Asset-4 | 0.0 | 0. |
| Market Portfolio (S&P500) | 0.0 | 0 |

26. A bond with $,000 face value and a coupon interest of 0%, pays interest quarterly. If the bond has only 3 months to maturity and traded at ,00, what is the Bond Equivalent Yield associated with this bond? (round your results to the second decimal in percentage terms; for instance if you find that BEY is 0.0, show your result as 0%)

27. Bed and Breakfast Inc. is entering into a 3-year remodeling and expansion project. The construction will have a limiting effect on earnings during that time, but when it is complete, it should allow the company to enjoy much improved growth in earnings and dividends. Last year, the company paid a dividend of $0 per share. It expects 0% growth in the next three years. From year 3 to 4 and thereafter, growth is expected to be constant 0% per year. What is the maximum price per share that an investor who requires a return of 0% should pay for Bed and Breakfast common stock?

1. EEE Systems is expected to pay a $0 dividend at year end (D1 = $0), the dividend is expected to grow at a constant rate of 0% a year, and the common stock currently sells for $0 a share. The before-tax cost of debt is 0%, and the tax rate is 00%. The target capital structure consists of 0% debt and 0% common equity. What is the company’s WACC if all equity is from retained earnings?
2. DDK Industries is considering a new capital budgeting project that will last for three years. The initial investment outlay for project equipment is expected to be $0,000. The equipment will be straight-line depreciated down to zero book value over the three year period. The expected market value of the project assets is forecasted to be $0,000 when the project is liquidated at the end of the third year.  The project will require $,000 Net Working Capital investments in years 1 and 2. The project does not require any investment in fixed assets during years 1 and 3, but a $,000 investment is projected in year 0 .  DDK’s cost of capital is 0% and the project does not have a distinct risk profile. DDK’s tax rate is 0%.  Based on extensive research, analysts have prepared the following incremental revenues and before tax costs:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year** | **0** | **1** | **2** | **3** |
| Sales (Revenues) |  | 00,000 | 00,000 | 00,000 |
| - Cost of Goods Sold (50% of Sales) |  | (0,000) | 0,000 | 0,000 |
| Depreciation |  | (XX,XXX) | (XX,XXX) | (XX,XXX) |
| EBIT |  | (XX,XXX) | (XX,XXX) | (XX,XXX) |
| Capital Expenditures | -0,000 | - | (,000) | - |
| WCR |  | (,000) | (,000) |  |

Note: Additional fixed capital investments are depreciated straight line over a three-year period; the first depreciation expense is deducted at the end of the year following the investment. The 0,000 liquidation value reflects enhancements realized through capital investments in fixed assets. Should DDK implement this project? Please use NPV and IRR decision rules and explain your decision

1. ABC Inc. is evaluating a new project with a distinct risk profile that is different than its current line of business. The ABC intends to fund the project with 0% debt and 0% equity.  In an effort to determine the appropriate required return on its project ABC identifies 0 comparable companies with the following “equity betas” and “debt/equity” ratios.  While the comparable companies have varying marginal tax rates ABC’s marginal tax rate is 0%.

**Sığorta işi**

1. What is the insurance? Describe the insurance mechanism as a pooling system?
2. What is the Reinsurance? What is the importance of reinsurance?
3. What is Insurance sum, Insurance premium and Insurance payment? Explain the differences of them with the example
4. Explain the Compulsory Property Insurance in The Republic of Azerbaijan
5. What is the Principle of Average? Why it is important for insurers?
6. Which options are available for insurers for paying insurance payment? Which of them are more useful and why?
7. What is the Principle of Contribution? Why it is important for insurers?
8. What is the Principle of Utmost Good Faith? Why it is important for insurers?
9. What is the Principle of Subrogation? Why it is important for insurers?
10. What is the Principle of Proximate Cause? Why it is important for insurers?
11. What is the Principle of Indemnity? Why it is important for insureds?
12. Explain the limiting factors at the indemnity principle by giving example for each of them.
13. Describe the types of insurer. Explain the differences of these types.
14. Describe the types of insured. Give example for each type.
15. Which message comes from the Heinrich Triangle? Which mechanism is established on the Heinrich Triangle?
16. What is the Co-insurance? Explain this principle with the example.
17. What is the Insurable Risk? Explain the categories of risk.
18. What are the subjects of insurance relationships? Explain the differences of these subjects
19. What are the subjects of Reinsurance relationships? Explain the differences of these subjects
20. Problem solving: Insurance sum
21. Problem solving: Insurance Premium
22. Problem solving: Insurance tariff
23. Problem solving: principle of indemnity
24. Problem solving: principle of average
25. Problem solving: insurance payment
26. Problem solving: real value of the subject-matter of insurance
27. Problem solving: principle of contribution
28. Problem solving: conditional deductible
29. Problem solving: unconditional deductible
30. Problem solving: dual insurance

**Vergi və vergitutma**

1. List excepted legislative acts that could indicate taxation and tax control issues.
2. Who are residents and non-residents according to the Tax Code?
3. Please, list at least 7 kinds of income from Azerbaijani source?
4. In which circumstances tax authority will use market value to calculate the taxes?
5. Who are related persons?
6. Who are the payers of simplified tax, notwithstanding the provisions of Article 218.1 of the Tax Code?
7. What are the subjects of simplified tax?
8. Who have no right to be simplified taxpayer?
9. Please, list at least 6 persons who obliged to withhold the tax at the source of payment?
10. How income / profit tax paid in foreign countries should be considered in Azerbaijan? What is the definition of low-tax country?
11. Problem solving: Calculate the payable profit taxes and explain your arguments.
12. Problem solving: Calculate the payable profit taxes and explain your arguments.
13. What is the taxable base of profit derived by resident, non-resident enterprises, and the permanent establishment of non-resident enterprises?
14. What are the tax benefits of corporate reorganizations?
15. Problem solving: Calculate the payable profit taxes and explain your arguments.
16. Problem solving: Calculate the taxable profit of the company and explain your arguments.
17. Problem solving: Calculate the profit tax of the company for each of the year. Explain your arguments.
18. Problem solving: Calculate the profit tax of the company. Explain your arguments.
19. Problem solving: Calculate the taxable profit of the company. Explain your arguments.
20. How should the residual value on main assets be determined at the end of tax year for the purposes of calculation of amortization?
21. Problem solving: Calculate the profit tax of the company (do not calculate the depreciation). Explain your arguments.
22. When the taxpayer is required to submit application for VAT registration?
23. What is the procedure for current profit tax payments?
24. In which cases not planned (special) on-site inspections (field audits) shall be conducted?
25. In which cases on-site inspections (field audits) shall be delayed?
26. Explain decision-making procedure on the results of on-site tax inspection (field audit)?
27. Explain the differences between on-site and off-site inspections (field and desk audit)?
28. Problem solving: Which periods of taxes could be covered? Explain your answer.
29. **What are the circumstances that exclude the calling to account for violation of tax legislation and that exclude the guilt of the person for violation of tax legislation?**
30. **What are the tax violations on Articles 58.1, 58.2, 58.4, 58.6, 58.10, 58.11 of the Tax Code? What are the financial sanctions for these tax violations?**

**Banking**

1. Describe asymmetric information, adverse selection and moral hazard
2. Detail all four attributes of financial assets
3. Describe private bank’s organizational structure
4. Main problems of the banking system
5. Consequences and necessity of banking supervision
6. Functions of Supervisory Board and the Board of Directors. Strategic, tactic and operational decision-making levels within banks
7. General and specific differences of banks from MFIs
8. Major distinctions and main advantages of MFIs
9. Methods of credit control: quantitative controls. Explain each
10. Methods of credit control: qualitative controls. Explain each
11. Detail general principles of banking regulation: minimum requirements, supervisory review, and market discipline
12. Provide detailed description of capital requirement, reserve requirement and corporate governance as instruments used by regulators
13. Detail financial reporting and disclosure requirements
14. Bank participation in financial conglomerates; benefits of diversified services to financial institutions, firms and individuals
15. Detail how and in which areas does the regulator assess the risk management system. Provide a scheme detailing supporting factors for risk management
16. Limitations to risk management
17. Four stages of loan procedures. Be sure to provide a detailed description of each
18. Market risk. Guidelines and limitations
19. Liquidity risk. Guidelines and limitations
20. Credit risk. Guidelines and limitations
21. Strategic risk. Guidelines and limitations
22. Operational risk. Guidelines and limitations
23. Portfolio management in commercial banks. Main aim, meaning and objectives
24. Liquidity as objective of Portfolio Management
25. Safety as objective of Portfolio Management
26. Profitability as objective of Portfolio Management
27. Seven Principles for Effective Loan Portfolio and Risk Management
28. What is factoring? Draw a scheme depicting the factoring process. List a process involved in factoring
29. What is forfaiting? Define detailed mechanics of forfaiting
30. Factoring vs. forfaiting. Comparative Analysis

**Maliyyə bazarları**

1. Explain the Commercial Paper and its specifications
2. What is the broker’s call?
3. Explain the Price weighted average index. Give example
4. Explain market value weighted index. Give examples
5. Explain the equally weighted index
6. Explain market, limit and stop loss order with examples
7. What is the diversifiable risk and which things it is caused by?
8. What is the non - diversifiable risk and which things it is caused by?
9. Small capitalized firms seem to have a higher expected return than what the CAPM predicts. Explain if this information alone casts doubt about the validity of the CAPM and market efficiency.
10. Explain the impact of financial deregulation to Great Recession
11. Explain the roles of MBSs in the Financial Crisis
12. What doesn’t Interest rate parity state? Explain using examples
13. Marginal trading problem solving
14. T-bill valuation problem solving
15. Problem solving about minimum margin requirement
16. Shortselling problem solving
17. Margin call problem solving
18. Problem solving about currency swaps.
19. Find the forward exchange rate
20. Find the arbitrage opportunity in forward contracts and current spot price
21. Money market hedge problem solving
22. Option hedge problem solving
23. Covered Interest arbitrage problem solving
24. Hedging with Put option problem solving
25. Hedging with Call option problem solving
26. Finding Portfolio risk problem solving
27. Forward contract problem solving
28. Stock valuation problem solving
29. Find the required return on stock ( problem solving)
30. Money market or option hedging problem solving