

## **FIN 3331 – Risk and Return Assignment**

Question 1: According to the video, how do we define risk?

Question 2: According to the video, how would the risk of a portfolio consisting of stocks from a variety of economic sectors compare to one consisting of stocks from just one sector? What is the technical finance term for this concept?

Question 3: According to the video, what is the difference between std. dev. and beta in terms of measuring risk?

Question 4: According to the video, what are some caveats associated with CAPM?

Question 5: According to the video, what is the difference between systematic and unsystematic risk? How is each type of risk impacted by holding a well-diversified portfolio?