



## YLIOPISTOTENTTI - UNIVERSITY EXAM

<b>Opiskelijan nimi / Student name:</b>	<b>Opiskelijanumero / Student number:</b>
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Opettaja täyttää / Lecturer fills in:

<b>Opintojakson koodi and nimi / The code and the name of the course:</b> <b>Koodi / Code 721383S</b> <b>Tentin nimi / Name Asset Pricing</b>	
<b>Tiedekunta / Faculty: Business School (OBS)</b>	
<b>Tentin pvm / Date of exam: 29.2.2016</b>	<b>Tentin kesto tunteina / Exam in hours: 4</b>
<b>Tentin nro / No. of the exam: Exam 1</b>	<b>Opintopistemäärä / Credit units: 6</b>
<b>Tentaattori(t) / Examiner(s):</b> Hannu Kahra	<b>Sisäinen postios. / Internal address:</b> 6 OBS/TATK
<b>Sallitut apuvälineet / The devices allowed in the exam:</b> <input checked="" type="checkbox"/> Nelilaskin / Standard calculator <input checked="" type="checkbox"/> Funktiolaskin / Scientific calculator <input checked="" type="checkbox"/> Ohjelmoitava laskin / Programmable calculator <input type="checkbox"/> Muu materiaali, tarkennettu alla / Other material, specified below:	
<b>Tenttiin vastaaminen / Please answer the questions:</b> <input checked="" type="checkbox"/> Suomeksi / in Finnish <input checked="" type="checkbox"/> Englanniksi / in English	
<b>Kysymyspaperi on palautettava / Paper with exam questions must be returned:</b> <input type="checkbox"/> Kyllä / Yes <input checked="" type="checkbox"/> Ei / No	

1. Provide *short* answers to the following questions (6 points)

- a. Provide evidence that “expected returns” vary across assets
- b. What does the CAPM say about variation among assets?
- c. Does the spread in average returns of “value” and “growth” stocks implicate a failure of the CAPM?
- d. What makes the former an anomaly to the CAPM?

2. The Fama-MacBeth procedure (6 points)

3. Return predictability (6 points)

4. Value and momentum everywhere (6 points)