

YLIOPISTOTENTTI - UNIVERSITY EXAM

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

Opintojakson koodi and nimi / The code and the name of the course: Koodi / Code: 721383S Tentin nimi / Exam name: Asset Pricing	
Tiedekunta / Faculty: OYKK/OBS	
Tentin pvm / Date of exam: 28.02.2017	Tentin kesto tunteina / Exam in hours: 3
Tentin nro / No. of the exam: Exam 1	Opintopistemäärä / Credit units: 6
Tentaattori(t) / Examiner(s): Hannu Kahra	Sisäinen postios. / Internal address: OYKKK/OBS
Sallitut apuvälineet / The devices allowed in the exam: <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:	
Tenttiin vastaaminen / Please answer the questions: <input checked="" type="checkbox"/> Suomeksi / in Finnish <input checked="" type="checkbox"/> Englanniksi / in English Suomenkielisessä tutkinto-ohjelmassa olevalla opiskelijalla on oikeus käyttää arvioitavassa opintosuorituksessa suomen kieltä, vaikka opintojakson opetuskieli olisi englanti. Tämä ei koske vieraan kielen opintoja. (Kts. <u>Koulutuksen johtosäntö 18 §</u>) In a Finnish degree programme a student has a right to use Finnish language for their study attainment, even though the language of instruction is English, (excluding language studies) even when the language of instruction is other than Finnish. (See <u>the Education Regulations 18 §</u>)	
Kysymyspaperi on palautettava / Paper with exam questions must be returned: <input type="checkbox"/> Kyllä / Yes <input checked="" type="checkbox"/> Ei / No	

1. Provide short answers for the following questions:
 - a. Provide few evidences that “*expected returns*” vary across assets.
 - b. What does the CAPM say about variation among assets?
 - c. Is the spread in average returns of “*value*” and “*growth*” stocks a failure of the CAPM, by itself?
 - d. What makes the former an anomaly for the CAPM?
2. Assume that you’re able to measure/proxy market factor, and market factor is a return itself. Describe CAPM and methods in which enables you to test it. (Impose further assumptions if necessary).
3. Predictability.