Chapter 13:

1)

Portfolio value = (180 \* 45) + (140 \* 27) = $ 11,880

Weight of A = (180 \* 45) / 11,880 = 0.6818

Weight of B = (140 \* 27) / 11,880 = 0.3182

2)

Portfolio value = 2,950 + 3,700 = 6650

Weight of A = 2,950 / 6650 = .4436

Weight of B = 3,700 / 6650 = .5564

E(Rportfoloio) = (.11\*.4436) + (.15\*.5564) = .1323 = 13.23%

4)

E(Rportfoloio) = Wx \* E(Rx) + Wy \* E(Ry) = 12.4%

E(Rportfoloio) = (Vx/10,000) \* .14 + (Vy/10,000) \* .14 = 12.4%

Vx + Vy = 10,000

Vx = 10,000 - Vy

E(Rportfoloio) = ((10,000 – Vy) /10,000) \* .14 + (Vy/10,000) \* .14 = 12.4%