

DEPARTMENT OF FINANCE, INSURANCE, & LAW
COLLEGE OF BUSINESS
ILLINOIS STATE UNIVERSITY

FIL 242 – Investments
Group HW #2

*Work with your Market Watch groups and e-mail a spreadsheet to me (kahlgrim@ilstu.edu) before class starts on **Wednesday, September 16th.***

This assignment has you work with data from Baseline and manipulate the data in Excel.

ASSIGNMENT

The point of the assignment is to determine which of the following stocks has demonstrated the most (weekly) return volatility during the year 2008.

- Allstate
- Amazon.com
- Kraft Foods
- Kohl's

To determine this, you need to calculate WEEKLY HPRs using data from 2008 for each stock.

- Go to Baseline and export weekly historical prices for all of 2008 into Excel
- Using the price data, calculate weekly HPRs (use closing pricings only). (Don't forget that some stocks pay dividends, typically four times per year so you may have income events for four weeks.) When you are done, you should have a worksheet that has four columns of weekly returns (one column for each stock). Label the columns with the stock's ticker symbol.
- Calculate average weekly returns for the four stocks.
- Calculate volatility two ways:
 - First, do it the long way where you have to compute the "average squared deviation from expected"
 - Second, confirm your answer by using STDEV