**Probability and statistics**

**Members**

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**REPORT**

**RESULT OF INVESTORS PORTFOLIO**

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Investors A, B & C have single asset portfolio which means these investors will have high risk and also have unsystematic risk in portfolio which is also seen in sharpe ratio of these investors. So the negative performances doesn’t get nullify resulting huge loss in long term.

Investors D, E& F have two asset portfolio which follows diversification strategy which reduces risk probability in long run also various unsystematic risks in portfolio get nullified with time as one asset positive performance outweigh other asset negative performance. According to the correlated data in portfolios of investor D, E, F the investment done by investor E and investor F are more risk free compared to investor D

After briefly comparing portfolios of all the six investors (A, B, C, D, E, F). it is clear that two asset portfolios of investors D, E, F is more secure and beneficial not only long term but also short risk gets mitigated Due to diversification. whereas putting all their balls in one coat has resulted huge risk of investors A, B, C.

Among all the six portfolio investment done E is highly risk free in long term because its correlation coefficient is close 1 as more the value is close to 1 more risk free it become in long term

Report by –A Financial Analyst.

Q6/2

In the beginning we decided to divde the task with low weightage equally i.e 2 each and the task 5 and 6 which have more weightage and also needs lots of group discussion were decided to done mutually. In the beginning we both faced lots of issues eg. Difficulty in understanding the questions. correct selection of array for solution etc . so we decided to discuss our issues with our friends. We helped each other when we faced some error in calculation. for more accuracy we solved problems on Whatsapp call . it almost took us 3days ( approximately 4 to 5 hrs per day) to complete the project.