**TASK 6**

1) A firm had 6 investors whose portfolios are as follows:

1) Investor A –stock invested HDFC with expected return 0.04228% and expected share price 1509.130896

2) Investor B- stock invested ONGC with expected return 0.14913% and expected share price 121.9016262

3) Investor C-stock invested Spicejet with an expected return of -0.16% and an expected share price of 76.32418704

4) Investor D-stock invested HDFC and ONGC with an expected return of 0.094097% and correlation between two share prices 0.621575172

5) Investor E-stock invested ONGC and Spicejet with expected return -0.1716% and correlation between two share prices 0.186706648

6) Investor F-stock invested HDFC and Spicejet with expected return -0.06625133% and correlation between two share prices -0.088399753

By comparing all the 6 portfolios, we concluded that investors A, B &C who invested in only a single stock are more prone to risk than investors D, E & F who had invested in more than one stock.

Pros for single stock in the portfolio included reduced fees understanding the taxes owed and paid an ability to better know the companies u own whereas cons include more difficulty diversifying your portfolio, a potential need for more time invested in your portfolio, and a greater responsibility to avoid emotional buying and selling as the market fluctuates.

A diversified portfolio minimizes the overall risk associated with the portfolio. Since investment is made across different asset classes the overall impact of market volatility comes down. Owning investment across different funds ensures that industry-specific and enterprise-specific risks are low.

Diversification is the practice of spreading your investments around so that your exposure to any one type of asset is limited. This practice is designed to help reduce the volatility of your portfolio over time. One way to balance risk and reward in your investment portfolio is to diversify your assets which were well-practiced by investor D.

Investor D who invested in stock HDFC and ONGC has achieved diversification benefits. By investing in 2 good assets created a better portfolio than all other investors which resulted in a great rate of return of 0.094097%.

2) Our group consists of Devyani Chaudhari and Avani Khatri. We started the project by mutually dividing the project into two equal parts. Amongst which, three tasks were done by Devyani, and 3 were done by Avani.

Tasks 1,3 & 5 were done by Devyani, and tasks 2,4 & 6 were done by Avani.

We completed the project in three days. We were always willing to help each other and often made ourselves available to demonstrate our learning to the team. We were extremely well-mannered and often treated each other with dignity and respect. As a result, we always felt free to approach about any problems we had.

We always believed that individual commitment to a group makes teamwork.