**TASK 6**

i)

The six investor-customers in our firm are A, B, C, D, E, and F. Three of them A, B, and C hold single asset portfolios. Whereas the other three of them D, E, and F hold two asset portfolios.

On an analysis of all of their portfolios,we found that:-

* The Expected Share Price **(Adj. Close price)** amongst the Single asset portfolios is the highest for HDFC Stock, and the lowest for SPICEJET Stock.
* The Expected Returns is seen to be as B > D > A > C > E > F. That is, B is the highest, while F is the lowest.
* The Variance in the Share Price amongst the Single asset portfolios is the highest for HDFC Stock, and the lowest for SPICEJET Stock.
* The Variance in returns is seen to be C > E > B > F > D > A. And thus, C is with the highest variance, and A has the lowest variance.
* The Order of Skewness goes as:- B > C > A. And the skewness for ONGC and SPICEJET is moderately skewed, whereas for HDFC Stocks it is negatively skewed. And the kurtosis of all the stocks is found to be Platykurtic.
* The Standardised mean for single asset portfolios is seen to be the highest for HDFC Stocks and lowest for SPICEJET Stocks.
* The Standardised Variance is 1 throughout all the three portfolios.
* In terms of correlation the order is:- D > F > E.
* Since HDFC Limited’s Sharpe Ratio is the lowest for Investor A is earning the least excess return on the stock.

Diversification means not only including a wide variety of assets in your portfolio, but also means lowering the risks associated with single assets and also promising higher returns in the long term. Thus, investors with two asset portfolios (D, E, and F) are in a better position than single asset portfolio holders (A, B, and C) because they will have to bear greater exposure to risks.

We would like to inform our managers that investors A, B and C won’t avail the diversification benefits. The investor which has achieved the highest diversification benefits is Investor D ! As they have the HIGHEST Expected Returns and also LOWER Variance (indicating less change) making it an ideal case showcasing diversification and overall reducing volatility.

ii)

We divided the project work among ourselves in an equitable manner, we constantly co-ordinated within ourselves by audio and video calls.

In the single asset portfolio, we initially discussed the formulas, then planned their execution. For the first three tasks, Shrunkhala dealt with HDFC Historical Data. Monisha dealt with ONGC Historical data. And together, we performed SPICEJET Historical Data calculations, wherein Shrunkhala found the “Expected” Terms, Skewness, Kurtosis and Monisha found the “Variance” Terms, Mean, Variance, Std. Deviation of the Standardised data. For the 4th Task, Monisha found Sharpe Ratios for HDFC and SPICEJET while Shrunkhala wrote the combined comments and the ratio for ONGC. We performed Task 5 in the same sense as we did for Tasks 1, 2 and 3.

Through this project WE were able to embrace the TRUE SPIRIT of **TEAMWORK!** If we had to comment on our level of teamwork showcased, we would explicitly say that we’ve brought an extraordinary communion to life **:)**

**!!!...THANK YOU…!!!**