

Course Application

Honors FNCE 100 Corporate Finance Professor Chaojun Wang – FNCE 100 - Fall 2020

Pre-requisites are Econ 10 (or Econ 1 and 2) and Math 104 (or Math 110)
ACCT 101 and STAT 101 : STAT & ACCT may be taken concurrently

Application deadline has been extended

Class Schedule is MW 4:30 to 6:00

Date of Application: _____ PENN ID# _____

Name (as registered, no nicknames please!): _____

E-mail address: _____

1. Are you a member of any of the following honors or joint-degree programs? (mark with "X" all that apply):

Joseph Wharton Scholars: _____ Benjamin Franklin Scholars: _____ Huntsman: _____

University Scholars: _____ M & T: _____ other dual-degree - which? _____

2. Anticipated major(s) or concentration(s): _____ Anticipated minor(s): _____

3. Expected graduation date: _____ 3a. Overall GPA: _____

4. Please solve the problem on page 2 of this application. You are not expected to be able to solve the problem perfectly yet. Try your best and be concise.

• To apply, Email this application, [both pages] to fnce100wharton@gmail.com

Attach a copy of your current transcript and resume! In the subject line of your email: *your last name-first name-FNCE100-20C-Wang.*

Please list other technically demanding classes you have taken at Penn. _____

_____.

You are not expected to be able to solve the problem perfectly yet.
Try your best and be concise.

The share price of Orange Inc. is expected to appreciate by 10% on average per year with a variance of 0.1. The share price of Peach Inc. is expected to appreciate by 30% on average per year with a variance of 0.3.

The price movements of the two stocks are not correlated. You have \$100 to invest, and you hate risk -- you would like to invest in a portfolio of the two stocks that minimizes variance. How much money would you put in Orange Inc. and Peach Inc. respectively?

What is the variance of your portfolio?

What is the "intuition" for why the variance of your portfolio is lower than the variances of both companies stand alone?

On average, how much money do you expect to have when you sell your portfolio in one year?