**Question:** What is the **beta** () of the below portfolio?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Portfolio Details | | | | | |
| Stock | Expected return | Standard deviation | Covariance | Beta | Dollars invested |
| A | 0.2 | 0.4 | 0.12 | 0.5 | 40 |
| B | 0.3 | 0.8 | 1.5 | 80 |
|  |  |  |  |  |  |

(a) 0.75

(b) 0.833333333

(c) 1

(d) 1.166666667

(e) 1.4

**Answer:** d