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REVIEW EXERCISES; Exercise Source Notes

CHAPTER6. MIND-EXPANDING EXERCISES Exercise Source Notes; Part II: Qualitative Economic Results; INTRODUCTION; I. Stochastic Dominance; II. Measures of Risk Aversion; III. Separation Theorems; IV. Additional Reading Material; SECTION1: STOCHASTIC DOMINANCE; Chapter 1. The Efficiency Analysis of Choices Involving Risk; I. INTRODUCTION; II. UNRESTRICTED UTILITY-THE GENERALEFFICIENCY CRITERION; III. EFFICIENCY IN THE FACE OF RISK AVERSION; IV. THE LIMITATIONS OF THE MEAN-VARIANCEEFFICIENCY CRITERION; V. CONCLUSION; REFERENCES; Chapter 2. A Unified Approach to Stochastic Dominance I. Introduction to Stochastic Dominance II. Examples of Stochastic Dominance Relations; III. Probabilistic Content of Stochastic Dominance; REFERENCES; SECTION2: MEASURES OF RISK AVERSION; CHAPTER3. RISK AVERSION IN THE SMALL AND IN THE LARGE; 1. SUMMARY AND INTRODUCTION; 2. THE RISK PREMIUM; 3. LOCAL RISK AVERSION; 4. CONCAVITY; 5. COMPARATIVE RISK AVERSION; 6. CONSTANT RISK AVERSION; 7. INCREASING AND DECREASING RISK AVERSION; 8. OPERATIONS WHICH PRESERVE DECREASING RISK AVERSION; 9. EXAMPLES; 10. PROPORTIONAL RISK AVERSION; 11. CONSTANT PROPORTIONAL RISK AVERSION 12. INCREASING AND DECREASING PROPORTIONAL RISK AVERSION13. RELATED WORK OF ARROW; ADDENDUM; SECTION3: SEPARATION THEOREMS; CHAPTER 4. THE VALUATION OF RISK ASSETS AND THE SELECTION OF RISKY INVESTMENTS IN STOCKPORTFOLIOS AND CAPITAL BUDGETS; Introduction and Preview of Some Conclusions; I - Portfolio Selection for an Individual Investor: The Separation Theorem; II - Portfolio Selection: The Optimal Stock Mix; III Risk Premiums and Other Properties of Stocks Held Long or Short in Optimal Portfolios; IV - Market Prices of Shares Implied by Shareholder Optimization in Purely Competitive Markets Under Idealized Uncertainty

Sommario/riassunto

Stochastic Optimization Models in Finance