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| Consider the following information: |

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| --- | --- | --- |
|   |  | Rate of Return If State Occurs |
|   State of | Probability of |  |
|   Economy | State of Economy | Stock A | Stock B |
|   Recession |   | 0.17 |   |   | 0.05 |   | − | 0.21 |   |
|   Normal |   | 0.62 |   |   | 0.09 |   |   | 0.08 |   |
|   Boom |   | 0.21 |   |   | 0.16 |   |   | 0.25 |   |
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| Calculate the expected return for the two stocks. **(Round your answers to 2 decimal places. (e.g., 32.16))** |

|  |  |
| --- | --- |
|   | Expected return |
|   Stock A | %   |
|   Stock B | %   |
|  |

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| Calculate the standard deviation for the two stocks. **(Do not round intermediate calculations and** **round your final answers to 2 decimal places. (e.g., 32.16))** |

|  |  |
| --- | --- |
|   | Standard deviation |
|   Stock A | %   |
|   Stock B | %   |