**24.** What is the average return of a portfolio that has 10% invested in stock A, 40% invested in stock B and 50% invested in stock C?

Year                 Return  
                 Stock A Stock B Stock C  
       1          15%     12%        5%  
       2          25%     14%       -6%  
       3            8%       9%      10%  
       4          16%      25%       1%  
       5            5%       3%      15%

(Points: 2)  
       9.92%   
       15.32%   
       13.80%   
       8.92%

**23.** According to the CAPM (capital asset pricing model), the security market line is a straight line. The intercept of this line should be equal to (Points: 2)  
       zero   
       the expected risk premium on the market portfolio   
       the risk-free rate   
       the expected return on the market portfolio