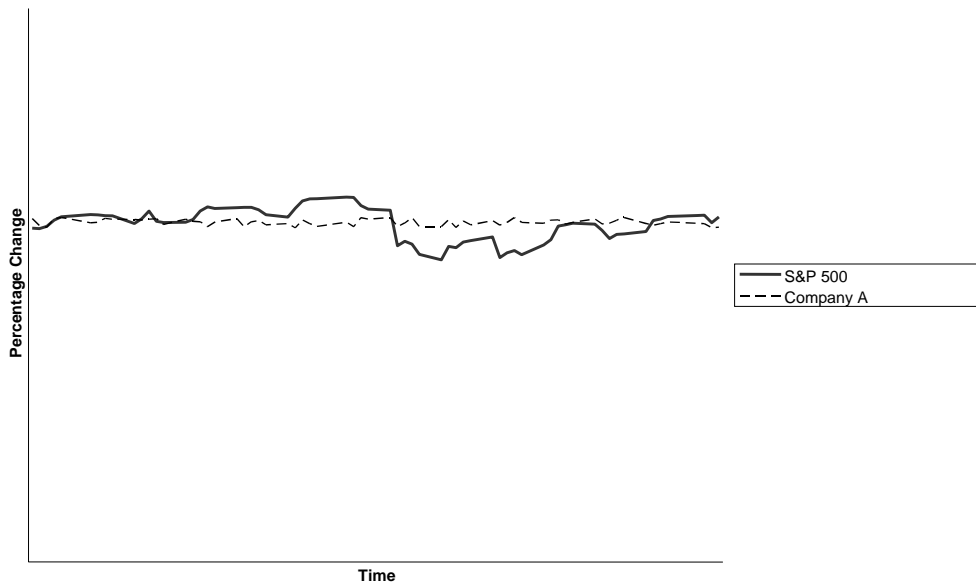


## COMMUNICATING QUANTITATIVE INFORMATION

The following graphs illustrate how the relative performance of stocks with different beta numbers would perform against the market as a whole.

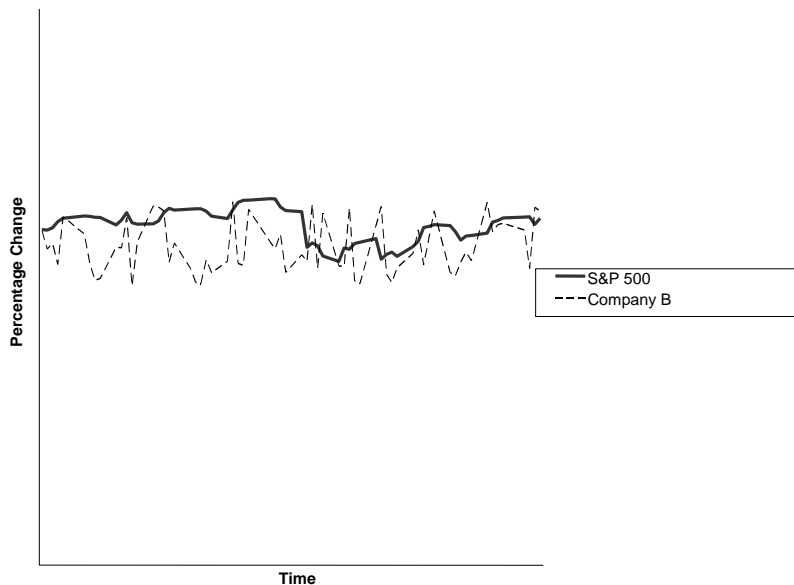
*Company A has a beta of 1.02.*

Changes in S&P 500 vs. Company A



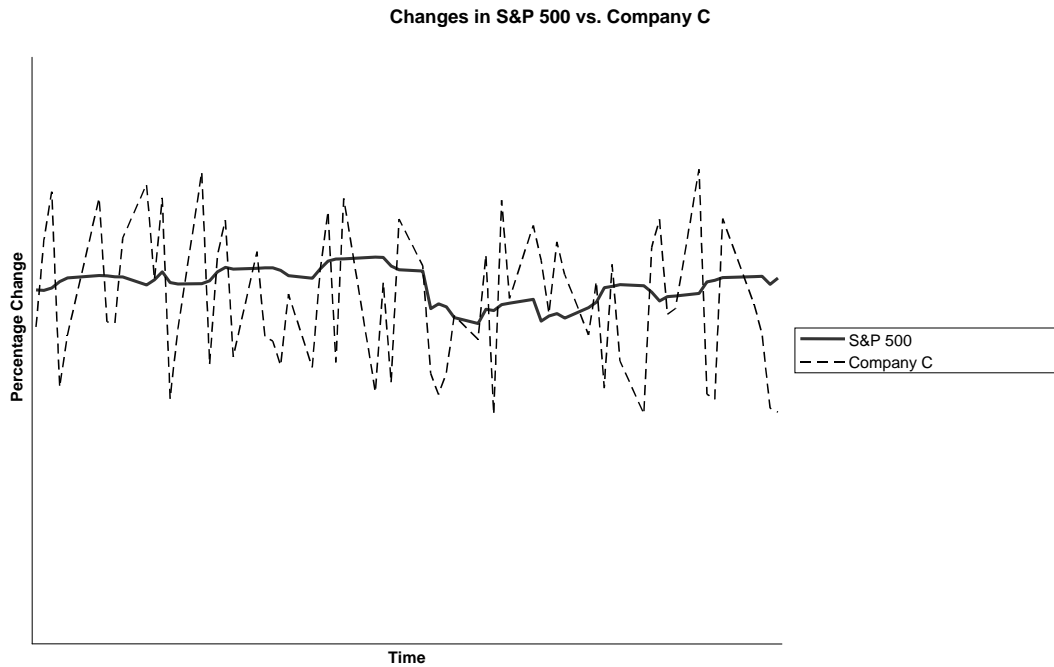
*Company B has a beta of 2.3*

Changes in S&P 500 vs. Company B



## COMMUNICATING QUANTITATIVE INFORMATION

*Company C has a beta of 5.8*

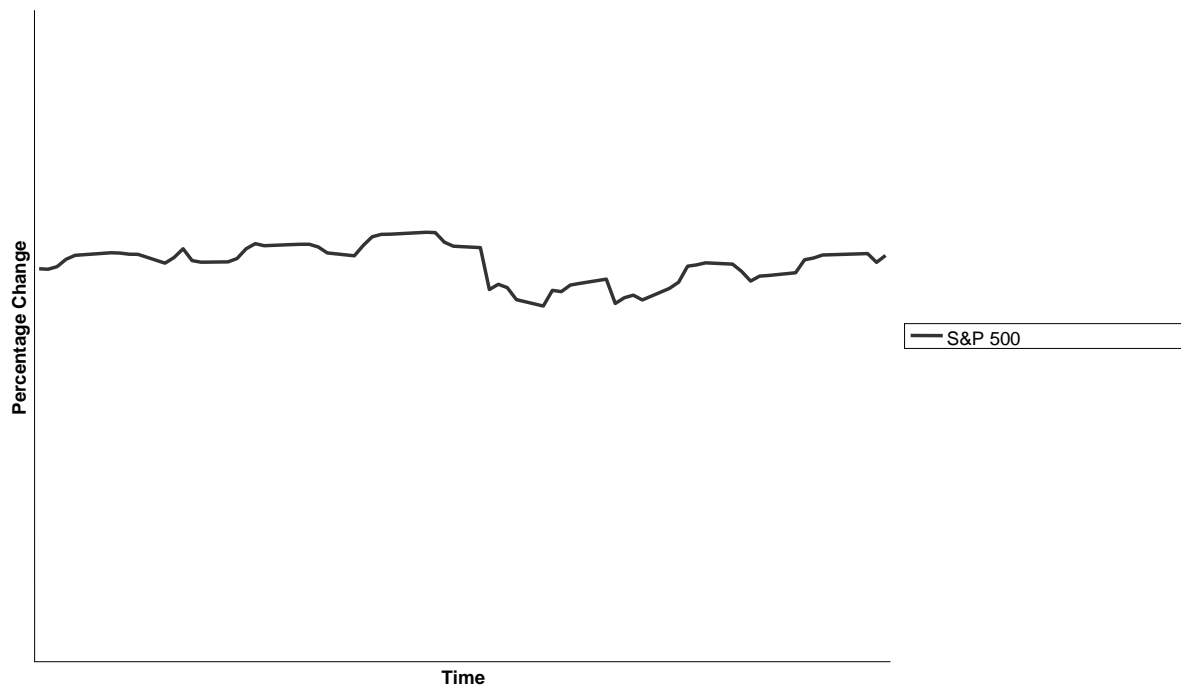


1. Which of the graphs shows a stock whose performance most closely resembles the trend of the S&P 500 Index?
2. Which of the graphs shows a stock whose performance showed more dramatic changes than the S&P 500 Index?
3. What is different about the graph of a stock's relative performance when it has a beta close to 1 compared to when it has a beta close to 5?

## COMMUNICATING QUANTITATIVE INFORMATION

4. Describe what the graph of a stock's relative performance would look like compared to that of the S&P 500 Index if the stock has a beta of 3. Use the graph below to draw a graph of the stock's performance.

Changes in S&P 500 vs. Company B



## COMMUNICATING QUANTITATIVE INFORMATION

5. Describe what the graph of a stock's relative performance would look like compared to that of the S&P 500 if the stock had a beta of 8.9. Use the graph below to draw a graph of the stock's performance.

