**Homework no. 1**

This is the assignment of the first homework. You are supposed to read information related to four different portfolios and answer/discuss several questions/tasks. The deadline for the homework submission is: **November 11**. You can score **up to 5 points**. The homework is not a mandatory part of the course, yet it enables you to gain more points.

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| **Name of portfolio** | **Information on portfolio** |
| Portfolio A | Consists of safe bonds, mainly Treasury Bonds and bonds of well-known and stable companies. 25% of this portfolio is represented by savings account of well-known and a successful bank.  |
| Portfolio B | Consists of commodities only – in this case you would invest in various companies (you choose it on your own), trading in *oil, gold and silver* (33.3% per each of the attributes). Investing in this portfolio, you physically obtain the commodities.  |
| Portfolio C | Portfolio C is represented by one financial derivative contract only. This contract relates to a certain currency, particularly USD. The contract is following: in three months you buy (let’s suppose that there is a seller agreeing on this contract) a chosen sum of USD for the price: 1€ per one USD. The set volume is up to you, might range from 1,000 € to the whole amount of money you have, which is 50,000 €.  |
| Portfolio D | Shares accounts for 70% of this portfolio (20% out of these shares are preferred shares, the rest are ordinary shares. The rest of the portfolio consists of junk bonds (20%) and 10% accounts for various stakes in start-ups. In this case you are given a specific collection of securities, you are not allowed to change the particular attributes.  |

***Tasks to deal with:***

1. If you were supposed to invest 50,000 € in a combination of these portfolios, how would you spread it?
2. Explain why you would invest in portfolio/s you stated in a). Explain your decisions.
3. Why are you **not** interested in the remaining ones (if there are any)? Explain your reasons.
4. Which one do you consider the worst and why?
5. Which information was missing (from your point of view) when dealing with the previous questions?

*You can submit the worked homework via the Depository in the Information System, via an e-mail or print it out and bring it to the lesson.*