

One candidate asked for sample weights and project types. Suppose the firm is financial intermediary selling low risk group life and auto insurance and high risk loans and brokerage for low income consumers. With the weights shown below, the average beta is one.

<i>Project</i>	<i>Name</i>	<i>Weight</i>	<i>Expected</i>	<i>Beta</i>
Project #1	group life	24%	12%	0.5
Project #2	personal auto	28%	13%	0.8
Project #3	high risk loans	28%	18%	1.2
Project #4	brokerage	20%	19%	1.6
Average		100%	15%	1.0