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| **Final Excel Project** |
| **Construct a $200,000 portfolio of Stocks, Corporate Bonds and Cash (Excel) using the following information:**   1. Initial Capital $100,000 (Equity) 2. Obtain additional $100,000 loan for 5.0% interest per annum. 3. Starting Date (June 1, 2017) – Closing stock and bond prices for that day (Basically going back and getting the historical prices) 4. Value Date (Jan 2, 2018) 5. Maintain Diversification discipline\* 6. Always maintain at least 10% Cash at all times. Cash interest income at 1.5% per annum. 7. Trading stocks or bonds at least 5 times during this period (5 initial stock and bond positions need to be replaced during this period) 8. Assume no trading costs or any additional expenses (except interest on the margin loan) |
| **You Spreadsheet should include the following:**   1. Initial Transaction Sources and Uses (June 1, 2017) 2. List of stocks and corporate bonds 3. Business Description and Industry categorization for each stock and S&P and Moody’s rating of each bond 4. Monthly Cash Flow which will include any dividends, coupon payments, gains and losses on trades, interest payments, interest income of cash balance. 5. Overall monthly performance (including a graph) 6. S&P 500 Index on June 1, Jul 3, Aug 1, Sep 1, Oct 2, Nov 1, Dec 1 2017 (using closing) to compare to your stock portfolio. |
| **At Value Date calculate the following:**   1. Total Portfolio HPR for Stock, Bond and combined portfolio. 2. Bond Portfolio Duration and Convexity 3. Covariance and Correlation of Bond and stock portfolios 4. Sharpe Ratios, Trayon and Jensen measurement for equity portfolio 5. Sharpe Ratios, Standard Deviation, HPR and average monthly returns for entire portfolio. 6. Portfolio performance as compared (including a graph) to S&P500 index during this period – (Beta Coefficient calculation, Regression Analysis between portfolio and S&P500). |
| \*Diversification Discipline:   * + No less than 10 stocks in the portfolio at all times   + Each stock value cannot represent more than 20% of the total portfolio.   + Each industry value cannot represent more than 25% of the total portfolio   + **Across 8 different industry sectors and one of the industry sector should have at least 2 companies.** |
| **Project is due 10 days after Sunday II. Please upload your report to the professor’s DropBox (**[www.ProfessorDrou.com](http://www.ProfessorDrou.com) **) under “Baruch Executive MS Page”** |