**Continuous Assessment**

**Module: Quantitative Finance II (DFA 2033Y)**

**Guidelines:**

This is an individual assignment and you need to **insert your name and student ID and the programme of study** on the cover page.

Answer **ALL** parts of the assignment and adhere to the page limits given for the specific questions.

Use font Times New Roman size 12 and line spacing 1.15.

Submission should be done on turnitin; this will enable to check for plagiarism (I will send more details with respect to submission by email).

Date for Submission is on **16th of May 2020 before 8pm.**

**Part I [55 marks]**

**Topic**: Stock Exchange of Mauritius (SEM)

**Study Question**: How have macroeconomic variables and the Covid-19 pandemic been affecting the performance of the Stock Exchange of Mauritius?

1. Explain in details how you would be proceeding if you had to undertake the above study. [20 marks/max 2 pages]
2. What type of data is being used for this study? [5 marks]
3. Using a sample of data over a period of **one year**, explain how macroeconomic variables (use at least **two** variables) have affected the performance of the SEM. [20 marks/ max 4 pages]
4. Using the same sample of data over a period of **one year**, explain how the Covid-19 virus, which was discovered in January, could have affected the performance of the SEM. Include the macroeconomic variables used in part (iii) as control variables. [10 marks/ max 3 pages]

**Hints:**

* Use SEMDEX as performance measure
* Use most recent data available
* Use excel and/ or Eviews to answer parts (iii)/ (iv) of the above question

Data Source: <https://www.muastockbroking.mu/>

**Requirements:**

Include the result tables generated by the software when performing the regression.

**Part II [45 marks]**

**Topic**: Stock Markets

**Study Question**: How have macroeconomic variables and the Covid-19 pandemic affected the performance of global stock market/s?

Identify a group of **three** stock markets (including the SEM) which you want to include in the study.

1. What type of data is being used for this study? [5 Marks]
2. Explain the assumptions which must be verified before undertaking a regression analysis? [5 marks]
3. Using a sample of data over a period of **one year**, explain how macroeconomic variables (use **two** variables) and the Covid-19 virus (discovered in January) have affected the performance of the stock markets. [35 marks/ max 4 pages]

Data Source for global markets: <https://finance.yahoo.com/world-indices?.tsrc=fin-srch>