

Keep in mind

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AUTHOR OR EDITOR

Karina Acosta, Adolfo Meisel

Using data from the 2010 Colombian Demographic and Health Survey and of the National Survey of the Employment Situation, the authors find that the indigenous population in the country has a higher potential for growth in biological well-being if their socioeconomic status improves.

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Using a set of 85 stocks from the S&P100, this paper finds that relaxing the long-term independence assumption results in significantly different estimations of beta. According to three tests herein implemented with a 99% confidence level, more than 60% of the stocks exhibit significantly different beta parameters. Hence, expected returns are biased; on average, the bias is about  $\pm 60$ bps for a contemporary one-year investment horizon. Thus, as emphasized by Holton (1992), risk is a two-dimensional quantity, with holding period almost as important as asset class. The procedure herein proposed is valuable since it parsimoniously achieves an investment horizon dependent CAPM.