

Analysis of Beta and Stock Returns

The Beta of a stock is very popular concept in CAPM. One decade ago, a lot of researchers have pointed out a theory (Namely theory Beta) the stocks with low empirically estimated historical beta tend to outperform stocks with high historical beta. Can you read the following paper and then use the stocks in SSE 50 (上证 50 指数) to demonstrate whether the theory Beta still applies to current stock market?

1) Relating Alphas and Returns to Betas