# Journal of Financial and Quantitative Analysis

# DECEMBER 1969

The Aggregation of Investor's Diverse Judgments and Preferences in Purely Competitive Security Markets

John Lintner

Risk Disposition and the Separation Property in Portfolio Selection

Nils H. Hakansson

Risk-Return Measurement in Portfolio Selection and Performance Appraisal Models: Progress Report

Richard S. Bower and Donald F. Wippern

Risk-Return Measures of Ex Post Portfolio Performance

Keith V. Smith and Dennis A. Tito

Risk, Ruin and Investment Analysis

Robert E. Machol and Eugene M. Lerner

On the Risk-Return Trade-Off in the Valuation of Assets

Michael Adler

Risk and the Value of Securities

Alexander A. Robichek

The University of Washington
Graduate School of Business Administration
and the
WESTERN FINANCE ASSOCIATION

## JOURNAL OF FINANCIAL AND QUANTITATIVE ANALYSIS

# VOLUME IV, NUMBER 4, DECEMBER, 1969

THE AGGREGATION OF INVESTOR'S DIVERSE JUDGMENTS AND PREFERENCES IN PURELY COMPETITIVE SECURITY MARKETS
RISK DISPOSITION AND THE SEPARATION PROPERTY IN PORTFOLIO SELECTION
RISK-RETURN MEASUREMENT IN PORTFOLIO SELECTION AND PERFORMANCE APPRAISAL MODELS: PROGRESS REPORT
RISK-RETURN MEASURES OF EX POST PORTFOLIO PERFORMANCE
RISK, RUIN AND INVESTMENT ANALYSIS
ON THE RISK-RETURN TRADE-OFF IN THE VALUATION OF ASSETS
RISK AND THE VALUE OF SECURITIES
ANNOUNCEMENTS: DECEMBER 1970 SPECIAL ISSUE
WESTERN FINANCE ASSOCIATION MEETINGS 540

The views and opinions expressed are those of the authors and do not necessarily reflect those of the Graduate School of Business Administration of the University of Washington or of the Western Finance Association.

(Copyright 1970 by the Graduate School of Business Administration, University of Washington.)

# JOURNAL OF FINANCIAL AND QUANTITATIVE ANALYSIS

GRADUATE SCHOOL OF BUSINESS ADMINISTRATION. UNIVERSITY OF WASHINGTON, SEATTLE, WASHINGTON 98105

### EDITORIAL STAFF

Charles A. D'Ambrosio, Managing Editor Charles W. Haley, Associate Managing Editor Lillian Ashworth, Editorial Assistant

### BOARD OF EDITORS

Fred P. Morrisey

Charles A. D'Ambrosio J. Fred Weston Ezra Solomon

Edward W. Reed

### ASSOCIATE EDITORS

William W. Alberts, Washington Marshall E. Blume, Pennsylvania Charles P. Bonini, Stanford Myles Delano, Michigan State Thomas R. Dyckman, Cornell Robert C. Goshay, UC, Berkeley Frederick S. Hammer, FDIC Austin C. Hoggatt, UC, Berkeley James R. Jackson, UC, Los Angeles Paul Wells, Illinois

James C. T. Mao, British Columbia Jacob B. Michaelsen, UC, Santa Cruz Alfred N. Page, Washington Richard Roll, Carnegie-Mellon R. Haney Scott, Washington William F. Sharpe, UC, Irvine Keith V. Smith, UC, Los Angeles James Van Horne, Stanford Raymond J. Jessen, UC, Los Angeles Donald Woods, UC, Los Angeles

The JOURNAL OF FINANCIAL AND QUANTITATIVE ANALYSIS is published in January, March, June, September, and December by the Graduate School of Business Administration of the University of Washington in conjunction with the Western Finance Association. The December issue is a Special, devoted to one topic of interest to the JFQA's readership. The January issue contains selected papers, discussants' comments, and Proceedings of the Western Finance Association meetings.

Membership in the Western Finance Association is available at \$7.00 per year and includes the JOURNAL subscription. Applications and information concerning membership should be addressed to Virginia McKemie-Belt, Western Finance Association, California State College at Long Beach, Long Beach, California 90804. Make checks payable to the Western Finance Association.

The annual subscription rate for individual nonmembers is \$7.00; for firms or libraries the annual rate is \$10.00. Single copies are \$2.50, except the Special issues, the price of which is \$3.00. Manuscripts and editorial correspondence should be sent to the Managing Editor. Advertising inquiries and books for review should be addressed to the Associate Managing Editor.