[Title]

[Name of the Writer]

[Name of the Institution]

**Section 1**

**Starbucks**

The beta of any business or company is mostly dependent on several things like measurement period of time and the market index where the beta considers the ultimate risk in making the investment in the company (Berk, & DeMarzo, 2017). In the stock market, higher beta means the investment has a higher risk but also has the potential to bring a higher return/amount.

Based on the reports gathered from the given tools, the beta of the Starbucks is comparatively the same up to a high extent which is based on the company’s financial performance which is continuously fine (SBUX, 2019). But if light changes can be seen then it would be due to changes in the company’s equity and investments. Hence Starbucks can be chosen as the company a highly growing one because of enhancements in coffee markets and preferences (SBUX, 2019). In short, the difference in number is dependent on changes in investments and somehow on the company.

**Section 2**

**Chapter: 10**

Page, 322 Paragraph, 2

*We want to explain how much investors demand (in terms of a higher expected return) to bear a given level of risk. To do so, we must first develop tools that will allow us to measure risk and return.*

The above sentence is one the most significant sentences in the chapter because it clearly states that you must develop different tools and techniques if you are interested in the explanation that how much return investors want to bear a specified amount of risk.

Page, 322 Paragraph, 4

*Different securities have different initial prices, pay different cash flows, and sell for different future amounts.*

It is a significant sentence because it helps us to be clear enough that every security has a different initial price, which is sold for different amounts and pay varied cash flows (Berk, & DeMarzo, 2017).

**Chapter: 12**

Page, 408 Paragraph, 1

*The Capital Asset Pricing Model (CAPM) provides a practical way to identify an investment with similar risk*

The sentence is the significant one because it lists one of the best models that provide a practical way in the identification of investment and related risk (Berk, & DeMarzo, 2017) which is called CAPM.

Page, 410 Paragraph, 3

*A Market Index (the market value of a broad-based portfolio of securities) reports the value of a particular portfolio of securities.*

The above-picked sentence is significant because it helps us to know that if you want to know that which things report the value of a specific portfolio of different securities then proceed with studying Market Index because the market index reports it (Berk, & DeMarzo, 2017).

**References**

Berk, J. B., & DeMarzo, P. M. (2017). Corporate Finance: The Core, 4/e. Boston: Pearson Education. ISBN 9780134083278.

SBUX. (2019). Starbucks Corporation (SBUX)-Finance.yahoo.com. Retrieved 1 October 2019, from <https://finance.yahoo.com/quote/SBUX?p=SBUX>

SBUX. (2019). Starbucks Corporation (SBUX)-Google.com. Retrieved 1 October 2019, from <https://www.google.com/search?q=NASDAQ:SBUX&tbm=fin#scso=_auCTXaWsCJCfgQbf0K-IBQ9:0>