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In the context of finance, the term 'beta' refers to (a) the process of simultaneous buying and selling of an asset from difference platforms. (b) an investment strategy of a portfolio manager to balance risk versus reward. (c) a type of systemic risk that arises where perfect hedging is not possible. (d) a numeric value that measures the fluctuations of a stock to changes in the overall stock market. Official key: D.

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Explanation

(a)
Simultaneous buy and sell on different platforms. That is arbitrage.

(b)
Balancing risk and reward. That is portfolio management in general.

(c)
Systemic risk when hedging is imperfect. That is basis / residual risk, not beta.

(d) Official key
A number that measures how much a stock moves with the market. Beta.

Summary
Official key is (d). Beta is the sensitivity of a security's returns to market returns (CAPM). Arbitrage, a manager's risk-reward style, and unhedgeable residual risk are other words.

Related possible facts
These can be asked in a future Prelims paper.

CAPM
Expected return = risk-free rate + beta × equity risk premium.

Alpha
Return not explained by beta; the active-manager neighbour.