Easy Search Results--Full Record

The generalized harmonic mean and a portfolio problem **with dependent assets**

Kijima M

THEORY AND DECISION
43 (1): 71-87 JUL 1997

Document type: Article **Language:** English **Cited References:** 15 **Times Cited:** 4

Abstract:
McEntire (1984) proved that, for a **portfolio problem** with independent assets, the generalized harmonic mean plays the role of a risk-free threshold. Based upon this property, he developed a criterion for including or excluding assets in an optimal portfolio, and he proved an ordering theorem showing that an optimal portfolio always consists of positive amounts of the assets with the largest mean values. Also, some commonly used **utility functions** were shown to satisfy the property that the dominance of an asset over another is unaffected by the addition of other assets. In this paper we extend these results to the case where assets are dependent.

Author Keywords:
single period **portfolio problem**, stochastic dominance, HARA utility function, IIA property

Addresses:
Kijima M, UNIV TSUKUBA,GRAD SCH SYST MANAGEMENT,BUNKYO KU,3-29-1 OTSUKA,TOKYO 112,JAPAN

Publisher:
KLUWER ACADEMIC PUBL, DORDRECHT

IDS Number:
XH762

ISSN:
0040-5833