candidates should be able to:

Demonstrate knowledge of the problems associated with the internal rate of return (IRR). Including:

* Recognize complex cash flow patterns and discuss their effect on the computation and interpretation of IRRs
* Explain challenges of comparing investments based on IRRs
* Discuss the difficulties of aggregating IRRs
* Recognize the relationship between IRR and the reinvestment rate assumption
* Define and apply the modified internal rate of return approach
* Identify advantages and disadvantages of modified internal rate of return
* Compare and calculate time-weighted and dollar-weighted returns