

CFA L1 模考 5-1

1. Which of the following is a recommended procedure for compliance with the Standard relating to performance presentation? When presenting their firm's investment performance, members should:
 - A. present the performance using a single representative account.
 - B. maintain the data and records used to calculate the performance being presented.
 - C. exclude terminated accounts as part of performance history with a clear indication of when the accounts were terminated.

2. A member is required to keep information confidential relating to which of the following?
 - A. Only prospective clients the member met within the last year
 - B. Only former clients who left the firm more than seven years ago
 - C. Both prospective clients the member met within the last year and former clients who left the firm more than seven years ago

3. David Jacobs, CFA, and Megan Amari, CFA, work for Global Investment Inc. and receive fees for client referrals. Prior to signing service agreements with clients, Jacobs informs his clients about the referral fee arrangement without providing an estimated dollar value. Amari discloses all details of the arrangement, including the estimated dollar value, to her clients before the service agreements are signed. Have the Standards been violated?
 - A. No
 - B. Yes, by Jacobs only
 - C. Yes, by Jacobs and by Amari

4. Joanne Bryce recently received notification she had successfully completed the Level III CFA exam. Having met all the necessary requirements, Bryce will soon be awarded her charter. Bryce's employer wants to recognize her accomplishment and places an ad in the local newspaper. Which of the following statements least likely complies with the CFA Institute Standards of Professional Conduct?
 - A. The CFA charter is a key asset in the development of her investment career
 - B. By becoming a charter holder, she has significantly improved her standing within the firm
 - C. Ms. Bryce passed all three levels of the exam consecutively, placing her in an elite group

5. Bryan Barrett, CFA, runs an investment advisory service providing advice on gold and other commodities to several large retail banks. Barrett advertises his services in widely read publications to broaden his business to include retail clients. Because the client base for the institutions that Barrett serves is large, he is comfortable stating in the ads that thousands of his clients have benefited from his advice. Does Barrett's advertisement most likely violate any CFA Institute Standards of Professional Conduct?
- A. No
 - B. Yes, the Standard relating to misrepresentation
 - C. Yes, the Standard relating to communication with clients
6. For firms to claim compliance with the GIPS standards, they most likely must
- A. hire an independent third party to test a sample of their composites.
 - B. take responsibility for their claim of compliance and for maintaining that compliance.
 - C. provide assurance that the firm's policies and procedures have been implemented on a firm-wide basis.
7. The GIPS standards were created in part to:
- A. promote investor interests and instill investor confidence.
 - B. encourage fair, local competition among investment firms in each country.
 - C. obtain worldwide acceptance of a small number of standards for calculating and presenting performance.
8. Noor Hussein, CFA, runs a financial advisory business, specializing in retirement planning and investment management. One of her clients asks her to advise the firm's pension fund trustees on available investments in the market including Islamic products. On the day prior to the meeting, Hussein spends an hour familiarizing herself with Islamic investment products and getting updates on local market conditions. The next day, she recommends Islamic investment products to the trustees based on her research and her expertise in retirement planning and investments. The trustees subsequently incorporate Islamic products into their investment allocation. Did Hussein's basis for the recommendation most likely comply with the CFA Code of Ethics?
- A. Yes
 - B. No, it did not comply with the Standard relating to misconduct
 - C. No, it did not comply with the Standard relating to diligence and reasonable basis

9. To claim compliance with the GIPS standards, a firm is most likely required to:
- A. have a verification of the firm's claim of compliance performed.
 - B. initially present a minimum of five years of compliant investment performance.
 - C. include all discretionary and non-discretionary fee-paying accounts in its composites.
10. According to the Standard relating to suitability, a member who manages pooled assets to a specific mandate is:
- A. only required to determine suitability for investors in the fund.
 - B. only required to invest in a manner consistent with the stated mandate of the fund.
 - C. required to determine suitability for investors in the fund and invest in a manner consistent with the stated mandate of the fund.
11. According to the Standards, a member engages in information-based manipulation when she:
- A. uses public information to implement trading strategies with an intent to exploit perceived market inefficiencies.
 - B. induces other market participants to trade a security by issuing an overly optimistic projection of a security's value.
 - C. relies on false rumors spread by other market participants to secure a dominant position in an underlying security.
12. Raymond Tam, CFA, manages a fund with a mandate to invest in local equities. To improve returns for fund investors, he sells options on some of the stocks held in the fund. Three months later, the options expire and the fund reports higher returns. Tam does not mention the options in his next client update. Tam has violated the Standard(s) relating to:
- A. fair dealing only.
 - B. communication with clients and prospective clients only.
 - C. both fair dealing and communication with clients and prospective clients.

13. After completing Level I of the CFA exam, Vidhan Raman posts comments on an online forum for CFA program candidates. Which of the following comments violate the Standard relating to conduct as participants in CFA Institute programs?

Comment 1	This exam was more challenging than I expected.
Comment 2	Make sure you study GIPS standards because there were several questions on that topic.

- A. Comment 1 only
- B. Comment 2 only
- C. Both Comment 1 and Comment 2

14. Which of the following best distinguishes ethical conduct from legal conduct? Ethical conduct typically:

- A. is narrow in scope.
- B. follows an existing market practice.
- C. considers and benefits multiple stakeholders.

15. Do the following actions by a member violate the Standards?

Action 1	Declaring personal bankruptcy because of a large loss from investing in a startup company.
Action 2	Providing well-informed investment advice that results in losses to clients.

- A. No
- B. Yes, because of Action 1 only
- C. Yes, because of both Action 1 and Action 2

16. According to the Standard relating to loyalty, which of the following statements are correct?

Statement1	"Members must not deprive their employer of the advantage of their skills and abilities."
Statement2	"Members are required to subordinate important personal and family obligations to their work."
Statement3	"Members are prohibited from entering into an independent practice for compensation while still employed."

- A. Statement 1 only
- B. Statement 1 and Statement 2 only
- C. Statement 1, Statement 2, and Statement 3

17. Emily Tucker, CFA, is a financial analyst at Bowron Consolidated. Bowron has numerous subsidiaries and is actively involved in mergers and acquisitions to expand its businesses. Tucker analyzes a number of potential acquisition candidates, including Hanchin Corporation. When Tucker speaks with the CEO of Bowron, she indicates that many of the companies she has looked at would be attractive acquisition targets for Bowron. After her discussion with the CEO, Tucker purchases 100,000 shares of Hanchin at \$200 per share. Bowron does not have any pre-clearance procedures, so the next time she meets with the CEO, Tucker mentions she owns shares of Hanchin. The CEO thanks her for this information but does not ask for any details. Two weeks later, Tucker sees a company-wide email from the CEO announcing Bowron's acquisition of Hanchin for \$250 a share. With regards to her purchase of Hanchin stock, Tucker least likely violated the Standard relating to:
- A. loyalty.
 - B. priority of transactions.
 - C. material nonpublic information.
18. Jamir Khan, CFA, has a fee arrangement with his employer which incentivizes client referrals. His employer does not permit the disclosure of this fee arrangement despite Khan's request to disclose it to his clients. According to there commended procedures for compliance with the Standard relating to disclosure of conflicts, Khan should:
- A. only report the matter to CFA Institute.
 - B. only document that he made a request to disclose the fee arrangement.
 - C. both report the matter to CFA Institute and document that he the made a request to disclose the fee arrangement.
19. According to the GIPS standards, verification is:
- A. performed on a firm-wide basis.
 - B. mandatory once the firm claims compliance.
 - C. conducted by the firm's compliance department.
20. A member works in Country X, where the securities market regulator requires investment-related records to be maintained for six years. The member publishes his recommendation for a recent AA bond issue that has a maturity of five years. According to the Standards, the member must maintain records of his recommendation for at least:
- A. five years
 - B. six years.
 - C. seven years.

21. Robin Herring, CFA, is a government bond research analyst at an independent credit rating agency. A competitor credit rating agency just downgraded the bonds of a government Herring follows. Herring notes that all of the information in the competitor's report was covered in his analysis published last week. In the past, Herring has been slow to downgrade bonds, so he starts to doubt his own analysis after seeing the competitor's report. Herring decides to reissue his credit rating of this government bond and match the competitor's downgrade. In his revised report, Herring states that new information has been made available to justify the downgrade. Herring posts the revision on the credit rating agency's website and provides it by email to all clients who received the original. Herring's rating change least likely violated which of the following Standards?
- A. Fair dealing
 - B. Diligence and reasonable basis
 - C. Communication with clients and prospective clients
22. According to the Standard relating to loyalty, prudence, and care, a member who manages the pension plan of a company owes the duty of loyalty:
- A. only to the company.
 - B. only to the beneficiaries of the pension plan.
 - C. both to the company and to the beneficiaries of the pension plan.
23. According to the Code and Standards regarding knowledge of laws and regulations, CFA Institute members and candidates must:
- A. understand the relevant regulations for all the countries where they trade securities.
 - B. have detailed knowledge of all the laws that could potentially govern the member's activities.
 - C. spend a minimum of five hours per calendar year on continuing education activities related to applicable laws and regulations.
24. Preeta Singh, a CFA candidate, is an asset manager employed by a fund management company managing very large segregated pension funds. In her spare time outside of working hours, Singh likes to provide management consulting services to small companies to help grow their businesses, focusing on strategic planning. Singh is paid for the consulting services and has also provided her employer information about these outside activities. Does Singh violate the Standards?
- A. No
 - B. Yes, the Standard relating to loyalty
 - C. Yes, the Standard relating to additional compensation arrangements

25. Century Investment Management, Inc., (CIM), promotes Pierre Ash, CFA, to a supervisory position. Ash cannot discharge his supervisory responsibilities because CIM 's compliance system is inadequate. Ash declines in writing to accept the supervisory responsibility. Has Ash violated the Standards?
- A. No
 - B. Yes, the Standard relating to loyalty, prudence and care
 - C. Yes, the Standard relating to responsibilities of supervisors
26. Kam Bergeron, CFA, is an equity portfolio manager who often takes time off in the afternoon to play golf with important clients. Today, Bergeron is on the golf course when his game is interrupted by a phone call from his office. The call is from Bergeron's assistant, who notifies him of a steep and accelerating market decline. Bergeron, eager to get back to his golf game, tells his assistant to raise cash by selling 15% of all clients' holdings. Bergeron instructs his assistant to first sell the most liquid stocks in each client's portfolio and then do the same for his personal account. Bergeron is least likely to be in violation of which of the Standards?
- A. Suitability
 - B. Priority of transactions
 - C. Diligence and reasonable basis
27. Ri Lin, CFA, is a Portfolio Manager with Dynasty Investment Management. Lin is performing research on Titan Mining for potential inclusion in his fund. Management at Titan is interested in having a well-known fund manager, such as Lin, as a shareholder. Titan pays for Lin to fly to a company retreat in Tokyo, where a brief introductory meeting is followed by attending a sporting event and then dinner at one of the city's top restaurants. Lin participates after disclosing the activities to Dynasty's compliance department. Which standard did Lin's actions violate?
- A. Disclosures of conflicts
 - B. Independence and objectivity
 - C. Diligence and reasonable basis

28. An analyst gathers the following information about an economy.

Central bank's inflation target	2%
Trend GDP growth rate	2%
Policy rate	5%

Monetary policy is most likely.

- A. contractionary.
 - B. neutral
 - C. expansionary.
29. An analyst concerned about the liquidity of a company's inventory will most likely look in the notes to the financial statements to determine the:
- A. cost formula or inventory valuation method used.
 - B. amount of inventory recognized as expense during the period.
 - C. breakdown of inventory between work in progress and finished goods.
30. With respect to ESG analysis, which of the following is most likely categorized as a social issue?
- A. Deforestation
 - B. Labor standards
 - C. Bribery and corruption

31. An analyst gathers the following information (in € thousands) about a company.

	Year 2	Year 1
Revenue	2,400	2,000
Cost of sales	1,800	1,400
Ending accounts receivable	240	160

The number of days of sales outstanding for Year 2, based on a 365-day year, is closest to:

- A. 30 days
 - B. 33 days.
 - C. 41 days
32. When revenue is recognized for a contract with separate performance obligations that have not all been met, and no consideration has been received, the seller's balance sheet will reflect a:
- A. receivable
 - B. contract asset.
 - C. contract liability.

33. All else being equal, in which life cycle stage is a company most likely able to maintain the highest leverage?
- A. Start-up
 - B. Growth
 - C. Mature

34. An analyst gathers the following information about a company that uses only common equity and debt in its capital structure:

Cost of debt, estimated by yield to maturity	5.1%
Cost of equity	9.8%
Percent of capital from debt	40.0%

If the company's marginal tax rate is 25%, the WACC is closest to:

- A. 5.9%.
 - B. 7.4%.
 - C. 7.9%.
35. An analyst gathers the following information about a company:

Revenue	€1,000,000
EBIT	€90,000
Net income	€60,000
Average total assets	€1,500,000
Financial leverage	2.0

ROE is:

- A. 8%.
 - B. 12%.
 - C. 18%.
36. Monitoring company compliance with applicable laws and regulations is most likely a responsibility of the:
- A. risk committee.
 - B. audit committee.
 - C. governance committee.
37. A lessor would derecognize the underlying leased asset from its balance sheet and recognize a lease receivable for:
- A. a finance lease only.
 - B. an operating lease only.
 - C. both a finance lease and an operating lease.

38. A European foreign exchange dealer gives the following exchange rate information to a European client. USD/EUR spot rate =1.1640; 3-month forward points =12.8. The best interpretation of the exchange rate information is that:
- the 3-month US real interest rate is expected to rise.
 - the US dollar is trading at a premium to its forward rate.
 - 3-month euro zone interest rates are lower than those in the United States.

39. An analyst gathers the following information (in € thousands) about a company's equipment

Carrying amount prior to impairment	20,000
Undiscounted expected future cash flows	19,000
Present value of expected future cash flows	17,000
Fair value if sold	18,000
Costs to sell	2,000

Based only on this information, the impairment loss under IFRS is:

- less than the impairment loss under US GAAP.
 - the same as the impairment loss under US GAAP
 - greater than the impairment loss under US GAAP
40. Which of the following statements relating to information asymmetry is most accurate?
- A company that has a range of complex products has high information asymmetry
 - High levels of institutional ownership in a company leads to high information asymmetry
 - Providers of capital demand lower risk premiums from companies with higher information asymmetry

41. An analyst gathers the following information about foreign exchange rates:

	Spot Rate
CAD/USD	1.2930
AUD/USD	1.3245

CAD/USD is the amount of CAD per 1 USD.

AUD/USD is the amount of AUD per 1 USD.

The spot CAD/AUD (amount of CAD per 1 AUD) cross-rate is closest to:

- 0.9762.
- 1.0244.
- 1.7126.

42. The F-statistic for the test of fit of a simple linear regression is given by the:
- A. mean square regression divided by the mean square error.
 - B. mean square regression divided by the sum of squares total.
 - C. sum of squares regression divided by the sum of squares total.

43. An analyst gathers the following information (in € millions) about a company.

Average total equity	50
Average total assets	150

Based only on this information, the financial leverage ratio is closest to:

- A. 0.33.
 - B. 0.50.
 - C. 3.00.
44. A firm is operating under an oligopoly when it is:
- A. the sole provider of a good or service.
 - B. one of many providers of a good or service.
 - C. one of a small number of providers of a good or service.
45. An analyst gathers the following information about a company:

Amortization of bond premium	£ 2,000
Gain on sale of assets	£ 1,000
Increase in deferred income tax liability	£ 6,000
Increase in unearned revenue	£ 4,000

Using the indirect method to prepare the cash flow from operating activities, the adjustment to net income is:

- A. - £ 7,000.
 - B. - £ 1,000
 - C. £ 7,000.
46. If a stock priced at \$100 experiences a 45% decline in price over a 1-year holding period, the continuously compounded return is closest to:
- A. -60%
 - B. -45%.
 - C. -36%.

47. Which of the following types of financial ratios is most likely to be positively affected by an inventory write-down compared to if the write-down had not occurred?
- A. Activity ratios
 - B. Liquidity ratios
 - C. Solvency ratios

48. An analyst gathers the following information about three companies in the same industry but at different stages of their life cycles

	Year 1 Revenue (in \$ Millions)	Year 2 Revenue (in \$ Millions)	Year 3 Revenue (in \$ Millions)	Year 3 Debt/Capital
Company1	10	11	9	0%
Company2	30	36	44	8%
Company3	100	95	97	25%

Based only on this information, the company with the greatest capacity to absorb additional leverage in Year 4 is most likely

- A. Company 1
 - B. Company 2.
 - C. Company 3.
49. Accounts payable are:
- A. financial liabilities owed by a company through a formal loan agreement.
 - B. amounts a company owes its vendors for purchase of goods and services.
 - C. reported in a different section of the balance sheet from notes payable due in one year.
50. Selling a product at a discount in order to build scale best describes:
- A. bundling.
 - B. tiered pricing.
 - C. penetration pricing.
51. In a perfectly competitive market, the demand curve faced by each individual firm is most likely:
- A. negatively sloped.
 - B. horizontal.
 - C. positively sloped.

52. A company's interest payments are fully tax deductible. When tax rates increase, the company's cost of debt:
- A. decreases.
 - B. remains the same.
 - C. Increases
53. Which of the following is an example of cooperative country behavior?
- A. Autarky
 - B. Hegemony
 - C. Bilateralism
54. Which of the following areas is most likely to apply natural language processing?
- A. Data encryption
 - B. Compliance functions
 - C. Analysis of structured data
55. When preparing a common-sized income statement, the appropriate denominator for converting the reported cost of sales is:
- A. revenues
 - B. net income.
 - C. pretax income.
56. Which of the following actions is most likely considered expansionary fiscal policy? A cut in:
- A. sales taxes.
 - B. the policy rate.
 - C. public spending
57. Which of the following disclosures about intangible assets is required under US GAAP?
- A. Why an asset is considered to have an indefinite life
 - B. Where amortization is included on the income statement
 - C. What the estimated amortization expense for the next five fiscal years will be

58. An analyst gathers the following fiscal-year information (in ¥ millions) for a company:

Cash flow from operating activities	28,808
Purchase of equipment	1,300
Sale of equipment	1,750
Long-term debt repayment	470
Increase in short-term borrowing	930

FCFE is closest to:

- A. ¥28,798 million.
 - B. ¥29,258 million.
 - C. ¥29,718 million.
59. According to Modigliani and Miller, in a perfect capital market, as leverage increases, a company's value
- A. decreases.
 - B. remains the same.
 - C. increases.
60. Which of the following combinations of actions is most likely expansionary?
A government:
- A. increases spending and decreases taxes.
 - B. decreases spending and increases taxes.
 - C. decreases spending and decreases taxes.
61. The notes to the financial statements are required to provide:
- A. explanatory information about every line item on the balance sheet and income statement.
 - B. information about the accounting policies, methods, and estimates used to prepare the financial statements.
 - C. management comments over any favorable or unfavorable trends, significant events and uncertainties that may affect the company.
62. A company will lease machinery for five years with lease payments of \$6,000 to be made at the end of each quarter, starting next quarter. If the interest rate is 6% per year compounded quarterly, the present value of the lease payments is closest to:
- A. \$101,097.
 - B. \$103,012.
 - C. \$104,557.

63. Which of the following best describes a lin-log model?
- A. $Y_1 = b_0 + b_1 \ln X_1$
 - B. $\ln Y_1 = b_0 + b_1 X_1$
 - C. $\ln Y_1 = b_0 + b_1 \ln X_1$
64. Which of the following is best classified as a secondary source of liquidity?
- A. Trade credit
 - B. Asset liquidation
 - C. Cash flow management
65. A company spends €10 million on start-up costs that are expensed for accounting purposes and fully amortized over five years using the straight-line method for tax purposes. If the start-up costs will result in future economic benefits, the tax base at the end of Year 1 is:
- A. €0 million
 - B. €8 million.
 - C. €10 million.
66. An analyst is preparing financial projections for a company held in her firm's equity portfolio. When determining an appropriate time horizon for her company projections, the analyst should consider:
- A. the portfolio's turnover only.
 - B. cyclical of the company's industry only.
 - C. both the portfolio's turnover and the cyclical of the company's industry.
67. In the capital allocation process, companies should:
- A. assume no new competition in the marketplace.
 - B. incorporate sunk costs in the investment analysis.
 - C. ignore the impact of an investment on short-term accounting numbers.
68. Which of the following characteristics of a corporation most likely allows it to access capital more easily than other business structures?
- A. The existence of a legal identity
 - B. Taxation of distributions as personal income
 - C. Separation between ownership and management

69. Under the revaluation model, an initial revaluation that increases the carrying value of land will most likely increase:
- A. net income
 - B. shareholders' equity.
 - C. total asset turnover ratio.

70. All else being equal, an inventory write-down by an electronics manufacturing company results in a lower.
- A. cost of sales than if the write-down had not occurred.
 - B. inventory turnover ratio than if the write-down had not occurred.
 - C. days of inventory on hand than if the write-down had not occurred.

71. An analyst collects the following set of ten returns from previous years:

Year	1	2	3	4	5	6	7	8	9	10
Return(%)	2.2	6.2	8.9	9.3	10.5	11.7	12.3	14.1	15.3	18.4

The geometric mean return is closest to:

- A. 9.62%
 - B. 10.80%.
 - C. 10.89%.
72. Under the indirect method, a US GAAP -compliant company reported the following financial data:

Total revenue	\$35 million
Net income	\$35 million
Decrease in income tax payable	\$16 million
Increase in interest expense payable	\$22 million

Based on this information, converting to the direct method would result in total cash operating expenses of:

- A. \$318 million.
 - B. \$330 million
 - C. \$353 million.
73. Credit cycles are most likely:
- A. shorter and shallower than business cycles.
 - B. of equal length and depth as business cycles.
 - C. longer and deeper than business cycles.

74. A company that reports under IFRS shows internally generated development costs on its balance sheet. Which of the following policies should raise concern when analyzing these costs?
- A. Revenue recognition
 - B. Intangibles capitalization
 - C. Long-lived asset depreciation
75. In a fixed parity currency regime, excess private demand for the domestic currency:
- A. implies a depleting stock of foreign exchange reserves.
 - B. makes no implication about the country's foreign exchange reserves.
 - C. implies a growing stock of foreign exchange reserves.
76. A risky project has an initial cash outflow followed by cash inflows only. If the project's IRR is zero, the project's NPV is most likely:
- A. negative.
 - B. zero.
 - C. positive.
77. Which of the following best represents the difference between the observed value of a statistic and the quantity it is intended to estimate as a result of using subsets of the population?
- A. Variance
 - B. Standard error
 - C. Sampling error
78. A significant increase in which of the following most likely indicates that a company's solvency has strengthened?
- A. D/E ratio
 - B. Debt -to -EBITDA ratio
 - C. Fixed charge coverage ratio
79. Over a period of 16 months, an investor has earned a return of 12%. The investor's annualized return is closest to:
- A. 8.87%.
 - B. 9.00%.
 - C. 9.38%.

80. Which of the following lists of terms is ordered from thinner to fatter tails compared with a normal distribution?

- A. Mesokurtic, leptokurtic, platykurtic
- B. Platykurtic, mesokurtic, leptokurtic
- C. Leptokurtic, mesokurtic, platykurtic

81. An analyst gathers the following information about a company's fiscal year ending 31 December:

Number of shares outstanding on 1 January	1,200,000
Number of shares issued on 1 September	300,000
Net income	\$3,500,000

If a 2-for-1 stock split took effect on 1 August, basic EPS is closest to:

- A. \$1.17.
- B. \$1.40.
- C. \$1.94.

82. An increase in a central bank's policy rate most likely leads to:

- A. decreasing real domestic demand and increasing net external demand.
- B. increasing real domestic demand and decreasing net external demand.
- C. decreasing real domestic demand and decreasing net external demand.

83. All else being equal, if the level of significance applied to a hypothesis test decreases from 0.05 to 0.01, which of the following probabilities will increase?

- A. Only a Type I error
- B. Only a Type II error
- C. Both a Type I error and a Type II error

84. The most appropriate test to determine whether performance of a group of analysts differed between two consecutive 10-year periods is a:

- A. sign test.
- B. Mann-Whitney U-test.
- C. Wilcoxon signed-rank test.

85. A characteristic of monopolistic competition is most likely:

- A. high barriers to entry.
- B. a large number of sellers.
- C. strong pricing power of firms.

86. Nationalization of industries is an example of which type of geopolitical tool?

- A. Financial
- B. Economic
- C. National security

87. An investor gathers the following information about three potential investment portfolios with normally distributed returns:

	Portfolio 1	Portfolio 2	Portfolio 3
Expected annual return	20%	14%	17%
Standard deviation of returns	17%	10%	13%

The investor wants to withdraw \$25,000 at year end without withdrawing any of their initial \$500,000 capital. According to Roy's safety-first criterion, the optimal portfolio is:

- A. Portfolio 1.
- B. Portfolio 2.
- C. Portfolio 3.

88. An analyst gathers the following return data:

1.4%
2.7%
4.1%
4.8%
6.1%
6.9%
8.3%
9.0%

The 30th percentile is closest to:

- A. 2.7%.
- B. 3.3%.
- C. 3.7%.

89. If wages and prices are rigid, which of the following policy combinations most likely leads to an increase in aggregate demand from the private sector relative to the public sector?

- A. Easy fiscal policy and easy monetary policy
- B. Easy fiscal policy and tight monetary policy
- C. Tight fiscal policy and easy monetary policy

90. An analyst gathers the following quarterly returns for an investment fund:

Quarter	Return
Q1	2%
Q2	6%
Q3	-4%
Q4	8%

If the target return is 5%, the target downside deviation is closest to:

- A. 4.7%.
- B. 5.3%.
- C. 5.5%.