

## CFA L1 模考卷 (2-1)

1. Raymond Ortiz, CFA, provides investment advice to high-net-worth investors. Ortiz has just completed an analysis of Continental Wheat, a manufacturer of wheat-based food products. He rated the company a long-term hold for investors seeking growth and income. Ortiz's analysis included a review of the company's management team, financial data, pro forma financial positions, dividends and dividend policy, and a comparison of Continental with its competitors. Although he does not tell anyone, five years ago, Ortiz worked for and managed the commodities derivatives trading unit of Continental. As part of his compensation at Continental, he received stock, which he still owns. Based upon his research, Ortiz recommends Continental to clients who have a moderate risk tolerance. Two weeks later Continental announces its quarterly earnings are 30% less than a year ago. Consequently, shares of Continental drop by 50%. Ortiz *most likely* violated the CFA Institute Code of Ethics and Standards of Professional Conduct related to his stock:
  - A. Research.
  - B. Ownership.
  - C. Recommendation.
  
2. According to the Standard relating to additional compensation agreements, a member is required to obtain permission from her employer before accepting benefits from third parties:
  - A. only for services rendered to her employer.
  - B. only for services that might create a conflict with her employer's interest.
  - C. both for services rendered to her employer and for services that might create a conflict with her employer's interest.
  
3. Julia Otkins, CFA, is approached by her friend who works for a charity that is looking for potential donors. Otkins refuses to share the contact details of current clients and only shares the details of one former client. Otkins later learns that one of her existing clients is involved in illegal money laundering. There are no applicable laws relating to client confidentiality and Otkins reports the client to the regulator. Otkins has *most likely* violated the Standard relating to confidentiality:
  - A. only by reporting the client to the regulator.
  - B. only by sharing the contact details of the former client with the charity.
  - C. both by reporting the client to the regulator and by sharing the contact details of the former client with the charity.

4. According to the GIPS standards, verification:
  - A. is voluntary.
  - B. ensures the accuracy of a performance report.
  - C. can be performed with respect to specific composites.
  
5. Feng Liu, CFA, is an investment manager. Liu organizes nonviolent demonstrations on weekends to fight climate change. After repeated demonstrations, Liu is arrested and convicted for obstructing public transit which is considered an act of civil disobedience in her country. Has Liu violated the Standards?
  - A. No.
  - B. Yes, Liu has violated the Standard relating to loyalty.
  - C. Yes, Liu has violated the Standard relating to misconduct.
  
6. Jorge Fernandez, CFA, is an equity analyst at a brokerage company. He suspects his colleague is trading on shares prior to his research reports being distributed to clients. When Fernandez asks his colleague about it, he is told to mind his own business. To comply with the Standard relating to knowledge of law, Fernandez should *most likely*.
  - A. report his suspicions to his supervisor.
  - B. continue to observe his colleague's trades.
  - C. discuss his colleague's trades with other analysts at the firm.
  
7. Sandra Chen, CFA, works for a research firm, Vega. Chen's research group identifies a low volatility investment product as a viable risk reduction strategy. The group prepares a report based on its findings. Chen believes the analysis is thorough and discloses the associated risks. However, Chen disagrees with the findings because she believes the product will be more volatile than the report suggests. She agrees to have her name included in the report. Has Chen *most likely* violated the Standards?
  - A. No.
  - B. Yes, because she failed to dissociate herself with the report.
  - C. Yes, because she failed to include her dissenting opinion in the report.

8. Lucie Hilbert, CFA, offers premium services to clients for an additional fee. She offers the premium services only by email to all of her clients. One client, who previously inquired about premium services, does not receive the offer due to a technical problem with the client's email system. One week later Hilbert makes an investment in an IPO on behalf of her clients. The issue is oversubscribed, so she excludes her sister, a regular fee-paying client of Hilbert's firm, to free up shares for other clients. Has Hilbert *most likely* violated the Standards?
- A. No.
  - B. Yes, the Standard relating to fair dealing.
  - C. Yes, the Standard relating to communication with clients and prospective clients.
9. To be consistent with the Standard relating to communication with clients and prospective clients, a member:
- A. must share in written form investment recommendations with clients.
  - B. should notify clients that additional information is available if a recommendation is shared in capsule form.
  - C. is permitted to share investment recommendations solely using a social media service to which most clients have access.
10. Riti Malhotra, CFA, is a research analyst covering the oil and gas sector. Malhotra visits a covered company's new oil refining facility. The company arranges a chartered flight as there are no commercial flights serving the location of the new refinery. Meals are also provided for by the company at a nearby hotel. Malhotra lets the company pay for the expenses. Has Malhotra violated the Standards?
- A. No.
  - B. Yes, the Standard relating to loyalty, prudence, and care.
  - C. Yes, the Standard relating to independence and objectivity.
11. Which of the following is a recommended procedure for members to meet their obligations under the Standard relating to performance presentation?
- A. Members should use a single representative account for each investment mandate while presenting performance history.
  - B. Members should consider the knowledge and sophistication of the audience to whom the performance history is being presented.
  - C. Members should exclude terminated accounts while presenting performance history with an indication of when the accounts were terminated.

12. Reliable Data Corp offered to pay all the expenses of Lindsey Robinson, CFA, an equity analyst who covers the company, to attend the company's upcoming annual shareholder meeting. Robinson declined their offer and explained to the company that if she had accepted their offer she would *most likely* be in violation of:
- A. Standard I-Professionalism.
  - B. Standard III-Duties to Clients.
  - C. Standard II-Integrity of Capital Markets.
13. According to the recommended procedures for compliance with CFA Institute Standard V(C): Record Retention, who is *most likely* responsible for maintaining the records that support investment actions?
- A. The firm.
  - B. Research analysts.
  - C. The chief compliance officer.
14. Sue Kim, CFA, a US citizen, works as an analyst for a subsidiary of a US investment firm on a small island that attracts offshore investment accounts. Local securities laws allow insider trading. While having dinner with the CEO of a local company, Kim learns that the firm is in negotiations to be acquired for a significant premium. Would Kim *most likely* comply with the CFA Institute Standards if she purchased the company's shares for her client accounts?
- A. No.
  - B. Yes, because local laws allow insider trading
  - C. Yes, if she receives permission from her firm's compliance department
15. Teresa Avila, CFA, is a micro cap investment analyst at a hedge fund. The fund requires Avila to hold any securities she recommends for the fund in her own account as well. Because Avila has such a small account, whenever she trades for her own portfolio she combines the transactions with those of the hedge fund so she is sure to have her account aligned with the fund. Has Avila *most likely* violated any CFA Institute Standards of Professional Conduct?
- A. No.
  - B. Yes, the Standard relating to misconduct.
  - C. Yes, the Standard relating to priority of transactions.
16. Where local performance presentation regulations conflict with GIPS standards, GIPS-compliant firms should *most likely* comply with:
- A. the GIPS standards.
  - B. local regulations and disclose conflicts.
  - C. the higher standard between local regulations and the GIPS standards.

17. Soujit Ghosh, CFA, observes a price difference in a security that trades in two different markets. Ghosh concludes the price difference is because of time delay in factoring material information disseminated by the company. Ghosh immediately buys large quantities of the security in one market and creates a dominant short position in the derivative on the security in the other market with an intent to exploit the price difference. Has Ghosh violated the Standards?
- A. No.
  - B. Yes, the Standard relating to market manipulation.
  - C. Yes, the Standard relating to material nonpublic information.
18. Joan Tasha, CFA, a supervisor at Olympia Advisors (OA), wrote and implemented compliance policies at her firm. Long-time OA employee, Derek Longtree, recently changed the asset allocation of a client, which is inconsistent with her financial needs and objectives and with OA's policies. Until now, Longtree has never violated OA's policies. Tasha discusses the issue with Longtree but takes no further action. Do Tasha's actions concerning Longtree *most likely* violate any CFA Institute Standards of Professional Conduct?
- A. No.
  - B. Yes, because she failed to detect Longtree's actions.
  - C. Yes, because she did not take steps to ensure that the violation will not be repeated.
19. According to the Standard relating to loyalty, prudence, and care, a member with control of client assets should submit to each client an itemized statement of their security holdings and transactions at least:
- A. quarterly.
  - B. semi-annually
  - C. annually.
20. Vanraj Shah has just finished taking the Level II CFA exam for the second time. To protect the integrity of the exam, Gupta is careful not to discuss the exam questions with other candidates. Shah calls his friend, a member, and contrasts his two attempts by highlighting that there were many calculation questions on derivatives in the first instance and none in the second. Later, in a public blog on investment education, Shah shares his strong disagreement regarding CFA Institute shifting to computer-based testing. Shah has violated the Standard(s) relating to:
- A. conduct as participants in CFA Institute programs only.
  - B. reference to CFA Institute, the CFA designation, and the CFA program only.
  - C. both conduct as participants in CFA Institute programs and reference to CFA Institute, the CFA designation, and the CFA program.

21. According to the GIPS standards, a firm must:
- attain compliance for a minimum of seven years to initially claim compliance with the GIPS standards.
  - include terminated composites on its list of composite descriptions for at least seven years after the composite termination date.
  - update GIPS reports provided to prospective clients to include information through the most recent annual period within 12 months of that annual period end.
22. Milene Fontes, CFA, takes over coverage of a company because the original analyst left the firm before finishing their search report. She adds her own thorough analysis and publishes the report in her name only. Has Fontes violated the Standards?
- No.
  - Yes, by using the original analyst's work in the report.
  - Yes, by not attributing the report to the original analyst.
23. Ritu Jain, CFA, is preparing to leave her firm and join a new employer. Prior to leaving the firm, Jain calls all her clients informing them of her decision to leave. When asked by the clients, Jain states lack of confidence in the firm's leadership as the reason for her departure and also mentions that more employees are likely to leave soon. Jain has violated the Standard(s) relating:
- only to loyalty.
  - only to preservation of confidentiality.
  - both to loyalty and to preservation of confidentiality.

24. John Pedersen, CFA, writes in his firm's promotional material:

Statement 1	"I passed all three CFA Program examinations in three consecutive years."
Statement 2	"Being a CFA charter holder, I am among the elite of investment professionals."

Statement 1: "I passed all three CFA Program examinations in three consecutive years."

Statement 2: "Being a CFA charter holder, I am among the elite of investment professionals."

Has Pedersen *most likely* violated the Standard(s)?

- No.
- Yes, by making Statement 1 only.
- Yes, by making Statement 2 only.

25. The GIPS standards were created to prevent the:
- A. comparison of comparable time periods with other firms' results.
  - B. selection of a top-performing portfolio to represent the firm's strategy.
  - C. presentation of an average performance history that includes terminated portfolios.

26. A member makes two statements:

Statement 1	"Members are required to disclose referral fees paid to others."
Statement 2	"Members are required to disclose referral fees received from others."

- A. Yes.
  - B. No, only Statement 1 is correct.
  - C. No, only Statement 2 is correct.
27. Werner Merz, CFA, manages a short-term corporate bond mutual fund at a subsidiary of Cygnet Bank. The president of Cygnet Bank tells Merz that the bank needs to sell some of its long-term government bond holdings; however, because market prices are below their purchase price of 100, a loss would be realized. The president asks Merz to purchase these bonds for the mutual fund at 100, assuring him that the fund can hold the bonds to maturity and get a full return of the initial investment. Merz purchases the bonds for the fund at 100 as requested. Merz has *most likely* violated the Standard(s) relating:
- A. only to suitability.
  - B. only to loyalty, prudence, and care.
  - C. both to suitability and to loyalty, prudence, and care.
28. All else being equal, in periods of rising prices and constant inventory quantities, FIFO *most likely* results in a higher.
- A. total asset turnover than LIFO.
  - B. working capital turnover than LIFO.
  - C. days of inventory on hand than LIFO.
29. An example of an expansionary fiscal policy is:
- A. a reduction in bank reserve requirements.
  - B. an increase in public spending on social goods and infrastructure.
  - C. the purchase of government bonds through open market operations.

30. When forecasting earnings, an analyst's best approach is to:
- utilize the results of financial analysis and professional judgment.
  - calculate a range of possibilities solely based on the results of financial analysis.
  - establish a precise forecast based on the results of economic and financial analysis.
31. The creditors of a company *most likely*:
- hold voting power.
  - have similar risk tolerance to shareholders.
  - have the ability to restrict the activities of the company
32. An option to abandon a capital investment at a future date if the NPV of the project is less than expected is a type of:
- sizing option.
  - timing option.
  - flexibility option.
33. An analyst gathers the following information (in \$ thousands) about a company:
- |                          |       |
|--------------------------|-------|
| Purchases from suppliers | 9,000 |
| Increase in inventory    | 1,000 |
- Cash paid to suppliers (in \$ thousands) is:
- 7,500.
  - 8,000.
  - 8,500.
34. Which of the following *most likely* increases a manufacturing company's operating income? A decrease in.
- income taxes.
  - interest charges.
  - administrative costs.
35. Which of the following events is *most likely* to lead management to make biased accounting choices?
- Changing the company's CEO.
  - Changing the company's audit firm.
  - Changing the company's fiscal year.



36. A random variable  $Y = \exp(X)$  is lognormally distributed, where  $X$  is normally distributed. The distribution of  $Y$ :
- A. is skewed to the left.
  - B. is often used to model stock prices.
  - C. has a mean equal to  $\exp(\mu)$ , where  $\mu$  is the mean of  $X$ .

37. An analyst gathers the following information about a project:

Initial outlay	\$100 million
Cash flow at end of Year 1	\$65 million
Cash flow at end of Year 2	\$65 million
Cash flow at end of Year 3	\$65 million

If the required rate of return is 15%, the NPV is *closest* to:

- A. \$48 million.
  - B. \$95 million.
  - C. \$148 million.
38. Frequent changes to commercial bank reserve requirements *most likely*.
- A. are disruptive for banks.
  - B. lead to high money growth.
  - C. are common in developed countries.
39. According to the converged accounting standards for revenue recognition, revenue is recognized only when:
- A. cash is received.
  - B. it is highly probable that it will not be subsequently reversed.
  - C. all performance obligations within a contract have been met while the transaction price can be allocated to each identified performance obligation.
40. Which of the following measures best expresses the amount of a portfolio's risk per unit of mean return?
- A. Sharpe ratio.
  - B. Standard deviation.
  - C. Coefficient of variation.

41. Under US GAAP, a valuation allowance is a reserve created against
- A. deferred tax assets only.
  - B. deferred tax liabilities only.
  - C. both deferred tax assets and deferred tax liabilities.
42. An indicator variable used in a simple linear regression is best described as a variable taking a value:
- A. of either 0 or 1.
  - B. between 0 and 1.
  - C. in the range -1 to 1.
43. The reversal of a prior fiscal year inventory write-down is:
- A. prohibited.
  - B. recognized as a reduction in cost of sales.
  - C. recognized as an increase in other operating income.
44. During the slowdown phase of the business cycle, inflation *most likely*:
- A. remains moderate.
  - B. further accelerates.
  - C. decelerates but with a lag.
45. Which of the following statements is most accurate? Network effects:
- A. lower the barriers to entry for competition.
  - B. are created only when crowd sourcing is used.
  - C. are present in many older, pre-internet businesses.
46. The overarching objective of a central bank is *most likely* to maintain:
- A. price stability.
  - B. full employment.
  - C. the stability of the financial system.

47. An analyst gathers the following information (in \$ millions) about a company:

	Year 2	Year 1
Total assets	90	100
Total liabilities	36	40
Total net assets	54	60

Using vertical common-size balance sheet analysis, the company's total liabilities in Year 2 are *closest* to:

- A. 40%.
  - B. 67%.
  - C. 90%.
48. Along the cooperative continuum, which of the following ranks geopolitical systems from the lowest to the highest level of globalization?
- A. Bilateralism, regionalism, multilateralism
  - B. Multilateralism, regionalism, bilateralism
  - C. Regionalism, multilateralism, bilateralism
49. An analyst gathers the following information (in \$ millions) about a company's land reported under the revaluation model:

Original cost	12
Fair market value at initial revaluation on 31 December Year 1	17
Fair market value at second revaluation on 31 December Year 2	12

As a result of the second revaluation, the company recognizes in Year 2:

- A. a \$5 million loss on the income statement.
  - B. a \$5 million loss in other comprehensive income.
  - C. neither a loss on the income statement nor a loss in other comprehensive income.
50. Which category of financial ratios is *most likely* used to measure how efficiently a company performs day-to-day tasks?
- A. Activity.
  - B. Liquidity.
  - C. Solvency.

51. In a simple linear regression, the standard error of the estimate is also known as the:
- mean square error.
  - sum of squares error.
  - root mean square error.
52. An unqualified audit opinion:
- provides absolute assurance about the accuracy or precision of the financial statements.
  - states that the financial statements are fairly presented in accordance with applicable accounting standards.
  - is issued when the financial statements materially depart from accounting standards and are not fairly presented.
53. A company holds licenses with a net book value of 12,118 (in USD thousands) as of 31 December Year 1. The company reported the following data related to impairment losses and amortization on these licenses (in USD thousands):

Accumulated impairment losses and amortization as of 31 December Year 1	2,142
Exchange movements	212
Amortization charge for the year	752
Impairment losses	52
Disposals	---
Transfers to investments in associated undertakings	(7)

- The cost of licenses as of 31 December Year 2 was 16,435(in USD thousands). Based on the data provided, the carrying value of licenses as of 31 December Year 2 is *closest* to (in USD thousands):
- 8,967.
  - 13,284.
  - 13,496.
54. Which of the following methods is most appropriate to assess the impact of a geopolitical risk?
- Group think.
  - Scenario analysis.
  - Linear quantitative modeling.

55. An analyst gathers the following exchange rate information:

USD/EUR spot rate	1.0351
1-week USD/EUR forward points	-1.1

USD/EUR is the amount of USD per 1 EUR

The 1-week USD/EUR forward rate is *closest* to:

- A. 1.02410.
- B. 1.03400.
- C. 1.03499.

56. An investor is considering three investments:

- Investment 1 makes 20 annual payments of \$50,000, starting one year from today.
- Investment 2 makes 25 annual payments of \$45,000, starting today.
- Investment 3 makes annual payments of \$40,000 indefinitely, starting one year from today.

If the investor's discount rate is 10% per year, which investment has the highest present value':

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

57. A policy rate that is neutral will become contractionary if trend growth:

- A. increases and expected inflation increases.
- B. decreases and expected inflation remains the same.
- C. decreases and expected inflation increases by the same amount.

58. Under the Modigliani-Miller propositions without corporate taxes, if a company's D/E ratio increases, its cost of equity:

- A. decreases.
- B. remains unchanged.
- C. increases

59. Double taxation of income occurs when a corporation pays taxes on its profits, and additional taxes are paid by the.

- A. shareholders on dividends received.
- B. corporation on distributions to shareholders.
- C. shareholders on gains earned from their equity investment.

60. Whenever Variable  $X$  increases by four units, Variable  $Y$  increases by one unit. The correlation between  $X$  and  $Y$  is:
- A. 0.25.
  - B. 0.75.
  - C. 1.00.

61. The following financial statement data are available for a company.

	£ Thousands
Net income	500
Depreciation	150
Cash flow from operations	600
Free cash flow to the firm	300
Beginning total assets	4,000
Ending total assets	6,000
Ending cash balance	50
Book value	3,000

The company's cash return on assets ratio is *closest* to:

- A. 10%.
  - B. 12%.
  - C. 13%.
62. Under the revaluation model, an initial revaluation that increases the carrying amount of assets increases:
- A. the financial leverage ratio.
  - B. other comprehensive income.
  - C. current period return on assets.
63. Fully automated robo-advisers are *most likely*.
- A. used to implement a passive investment approach.
  - B. subject to less regulatory scrutiny than traditional investment advisers.
  - C. suitable for investors owning complex portfolios with many different types of assets.

64. A disadvantage of using the concentration ratio to measure market power is that it:
- A. is difficult to compute.
  - B. does not directly quantify market power.
  - C. is affected by mergers among market participants.
65. A market structure characterized by homogeneous/standardized product differentiation is best described as:
- A. monopoly.
  - B. monopolistic competition.
  - C. perfect competition and oligopoly.
66. Capital restrictions *most likely*.
- A. allow capital to earn the highest return.
  - B. help a country exercise control over its external balance.
  - C. lead to a higher rate of growth than would otherwise occur.
67. The long-run marginal cost schedule serves as a firm's supply curve under a(n):
- A. oligopoly market.
  - B. perfectly competitive market.
  - C. monopolistically competitive market.
68. An analyst gathers the following company P/E ratios:
- |   |    |   |    |   |    |
|---|----|---|----|---|----|
| 8 | 13 | 3 | 12 | 8 | 10 |
|---|----|---|----|---|----|
- For the data given, the:
- A. median is greater than the mode.
  - B. mode is greater than the arithmetic mean.
  - C. arithmetic mean is greater than the median.
69. Under US GAAP, material income items that are unusual and infrequent are shown as part of.
- A. continuing operations and presented separately.
  - B. continuing operations and not presented separately.
  - C. non-operating activities and not presented separately.

70. All else being equal, if interest expense is not tax deductible, as a company's marginal tax rate increases, the company's WACC:
- A. decreases.
  - B. remains the same.
  - C. increases.
71. An analyst wants to test the mean difference between two normally distributed populations using dependent samples. If the population variances are unknown, the most appropriate hypothesis test is a:
- A. chi-square test.
  - B. paired comparisons  $t$ -test.
  - C.  $t$ -test with a pooled estimator of the common variance.
72. Which of the following is a common source of financing for an early-stage start-up with minimal revenue?
- A. Debt.
  - B. Equity through public markets.
  - C. Equity through venture capital.
73. When conducting an executive remuneration policy review, one warning sign that warrants additional scrutiny is *most likely*.
- A. payout provisions linked to strategic milestones.
  - B. variable payouts over multiple years when company results vary.
  - C. compensation consisting solely of base salary and cash bonuses.
74. Which of the following is a non-probability sampling method?
- A. Cluster sampling.
  - B. Convenience sampling.
  - C. Stratified random sampling.
75. The tendency to classify information based on past experiences and known classifications best defines:
- A. confirmation bias.
  - B. conservatism bias.
  - C. representativeness bias.



76. According to the static trade-off theory of capital structure, the value of a levered company is reduced by:
- A. the present value of inherent tax shields only.
  - B. the present value of costs of financial distress only.
  - C. both the present value of inherent tax shields and the present value of costs of financial distress.

77. An investor's transactions in a mutual fund and the fund's returns over a 4-year period are provided in the following table:

Year	1	2	3	4
New investment at the beginning of the year (USD)	2,500	1,500	1,000	0
Investment return for the year	-20%	65%	-25%	10%
Withdrawal by investor at the end of the year (USD)	0	-500	-500	0

Based on this data, the money-weighted return (or internal rate of return) for the investor is *closest* to:

- A. 2.15%.
  - B. 3.96%.
  - C. 7.50%.
78. Which of the following is a secondary source of liquidity for a company?
- A. Trade credit
  - B. Bank line of credit
  - C. Bankruptcy protection and reorganization.
79. The liquidity premium is 2% and the real risk-free interest rate is 4%. According to economic theory, the rate that only reflects the time preferences of individuals for current versus future real consumption is:
- A. 2%.
  - B. 4%.
  - C. 6%.
80. Which of the following components of a defined benefit pension plan is included in net income?
- A. Remeasurements only.
  - B. Employees' service costs only.
  - C. Both remeasurements and employees' service costs.

81. Which of the following actions is *most likely* considered expansionary fiscal policy? A cut in:
- A. public spending.
  - B. personal income tax rates.
  - C. reserve requirements for banks.
82. Which of the following statements about the use of financial ratios is most accurate?
- A. Each financial ratio is relevant to all industries.
  - B. Financial ratios can be affected by the phase of the business cycle.
  - C. Aggregate financial ratios are useful for companies operating in different lines of business.
83. Which of the following stakeholders in a mature company would most likely tolerate higher risks in return for higher return potential?
- A. Debtholders.
  - B. Shareholders.
  - C. Independent directors.

84. An analyst gathers the following information about a company's fiscal year.

Net income	£45,000,000
Preferred dividends	£5,000,000
Convertible bonds outstanding during the year	£40,000,000
Weighted average number of common shares outstanding during the year	12,000,000
Interest rate on convertible bonds	10%
Income tax rate	25%

If the bonds are convertible into 2,000,000 common shares and there are no other potentially dilutive securities outstanding, reported diluted EPS is *closest* to:

- A. £2.93.
- B. £3.07.
- C. £3.43.

85. An analyst gathers the following information (in \$ thousands) about a company:

Beginning retained earnings	1,500
Ending retained earnings	2,000
Dividends declared and paid	400

If there are no other items affecting shareholders' equity, net income (in \$ thousands) is:

- A. 100.
- B. 500.
- C. 900.

86. An investor gathers the following spot exchange rate information:

AUD/CHF	1.4024
USD/CHF	1.0943

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

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

The AUD/USD spot rate is *closest* to:

- A. 0.7803.
- B. 1.2815.
- C. 1.5346.

87. An analyst considers the following scenarios for the economy and the sales growth of a company:

Scenario	Probability of Scenario	Sales Growth	Probability of Sales Growth
Economic boom	0.65	15%	0.70
		-5%	0.30
Economic downturn	0.35	4%	0.30
		-10%	0.70

Based on this information, the probability of an economic downturn and negative sales growth is *closest* to:

- A. 0.195.
- B. 0.210.
- C. 0.245.

88. For a manufacturing company, the reversal of an inventory write-down from prior periods is:
- A. prohibited.
  - B. recognized as an increase in cost of sales.
  - C. limited to the amount of the original write-down.
89. In a test of independence based on contingency table data, the nonparametric test statistic to be used is:
- A. *F*-distributed.
  - B. normally distributed.
  - C. chi-square distributed.

90. An analyst gathers the following information about a company's capital sources:

Target weight of debt	25%
Target weight of equity	75%
Before-tax marginal cost of debt	4%
Marginal cost of equity	12%

If the marginal tax rate is 20% and interest expense is tax deductible, the company's WACC is:

- A. 9.80%.
- B. 10.00%.
- C. 10.25%.