

CFA 模考一 (2)

1. An analyst gathers the following information (in \$millions) about a hedge fund:

Initial investment cost	100
Profit, Year 1	25
Loss, Year 2	10

If the incentive fee is 20% and there is a clawback provision, the total incentive fee (in \$millions) for Years 1 and 2 is:

- A. 0.
 - B. 3.
 - C. 5.
2. To be eligible for the upcoming dividend, the latest date an investor needs to purchase the share is on the trading day before the:
- A. ex-date.
 - B. record date.
 - C. declaration date.
3. A zero coupon bond is priced at 90 and has three years to maturity. Based on a compounding periodicity of 4, the bond's annual yield-to-maturity is closest to:
- A. 1.8%.
 - B. 2.7%.
 - C. 3.5%.
4. Investors are least likely to use derivatives to:
- A. take short positions.
 - B. replicate a cash market strategy.
 - C. offset market-based exposures incidental to their financing activities.
5. A swap is most likely similar to a series of forward contracts when:
- A. the combined value of all forward contracts is zero.
 - B. all the forward contracts have the same maturity date.
 - C. the value of the long forward contracts are matched with the value of the short forward contracts at each swap payment date

6. Which of the following is the most conservative price for valuing a hedge fund's short position?
 - A. The bid price
 - B. The ask price
 - C. The average of the bid and ask prices

7. A security is most likely undervalued if its estimated intrinsic value is higher than its:
 - A. par value.
 - B. book value.
 - C. market price.

8. Which of the following measures is the slope of the capital allocation line?
 - A. Sharpe ratio
 - B. Treynor ratio
 - C. Jensen's alpha

9. An analyst gathers the following information about a hedge fund established at the beginning of Year 1:

Assets under management (AUM), beginning of Year 1	\$100 million
AUM, end of Year 1	\$125 million
AUM, end of Year 2	\$110 million
Management fee (calculated on end-of-year AUM)	2%
Performance fee above high-water mark (calculated net of fees)	20%

The cumulative fee (in \$millions) earned by the hedge fund manager for the two years is closest to:

- A. 5.2.
 - B. 7.2
 - C. 9.2.

10. Over time, a forward contract most likely has variable:
 - A. value and constant price.
 - B. price and constant value.
 - C. value and variable price.

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

Market value of debt	5
Market capitalization	43
Enterprise value	33

The balance (in \$billions) of the company's cash and short-term investments is:

- A. 5.
 - B. 10.
 - C. 15.
12. All else being equal, the value of a European put option is most likely inversely related to the time to expiration when interest rates are high, the time to expiration is long and the put is:
- A. at-the-money
 - B. deep in-the-money.
 - C. deep out-of-the-money.
13. Which of the following provides the best behavioral explanation of the value stock anomaly?
- A. The halo effect
 - B. The disposition effect
 - C. The effects of the framing bias
14. A market index consists of 100 assets. Investment 1 consists of one asset that is randomly chosen from the index. Every month the asset is replaced by a new randomly chosen asset. Investment 2 equally weights all assets in the index. Over a period of 100 months, the annualized standard deviation of Investment 1 is most likely:
- A. less than the annualized standard deviation of Investment 2.
 - B. equal to the annualized standard deviation of Investment 2.
 - C. greater than the annualized standard deviation of Investment 2.
15. The current yield for a coupon-paying bond trading at a premium is:
- A. less than the coupon rate.
 - B. equal to the coupon rate.
 - C. greater than the coupon rate.

16. The market portfolio has an expected return of 10% and a standard deviation of 11%. If the risk-free rate is 2%, the slope of the capital market line is closest to:
- A. 0.73.
 - B. 0.91
 - C. 1.38.

17. A key catalyst for the relative growth of passive investing compared to active investing is most likely the:
- A. lower costs of index funds.
 - B. higher returns to investors from outperforming benchmarks.
 - C. increased correlation of returns between traditional investments and alternative investments.

18. An analyst gathers the following information about a bond:

Price	Yield-to-Maturity (%)
103.52	3.7
103.84	3.3

If the bond currently trades at a price of 103.67 with a yield-to-maturity of 3.5%, the approximate convexity is closest to:

- A. 0.048.
 - B. 0.096.
 - C. 48.230.
19. If 1,000 shares of stock purchased at \$30 per share on 75% margin are later sold at \$26 per share, the return on equity is closest to:
- A. -17.8%
 - B. -13.3%.
 - C. -10.0%.
20. An American waterfall distributes performance fees on a(n):
- A. deal-by-deal basis and is more advantageous to the general partner than a European waterfall.
 - B. deal-by-deal basis and is more advantageous to the limited partners than a European waterfall.
 - C. aggregated fund level and is more advantageous to the limited partners than a European waterfall.

21. All else being equal, non-cumulative preference shares are more risky for investors than:
- cumulative preference shares.
 - dividend-paying common shares.
 - non-dividend-paying common shares.
22. Which of the following statements is most likely correct regarding the spot and forward curves. The spot curve:
- can be calculated from the forward curve, and the forward curve can be calculated from the spot curve.
 - can be calculated from the forward curve, but the forward curve cannot be calculated from the spot curve.
 - cannot be calculated from the forward curve, but the forward curve can be calculated from the spot curve.
23. An investor sells a European put option with the following characteristics:
- | | |
|----------------|-----|
| Put price | 30 |
| Exercise price | 600 |
- If the price of the underlying at expiration is 620, the profit for the seller is:
- 10.
 - 20.
 - 30.
24. With respect to an investment policy statement, which of the following is best classified as a legal and regulatory constraint?
- An investor's tax status
 - A pension fund's self-investment limit
 - An investor's desire to avoid investments in the gambling industry
25. According to put-call-forward parity, the difference between the price of a put and the price of a call is most likely equal to the difference between:
- forward price and spot price discounted at the risk-free rate.
 - spot price and exercise price discounted at the risk-free rate.
 - exercise price and forward price discounted at the risk-free rate.

26. With respect to a client's IPS, which of the following measures is most likely used when stating a relative risk objective?
- A. Value at risk
 - B. Tracking risk
 - C. Standard deviation of returns
27. A call option is in the money if the exercise price minus the price of the underlying at expiration is:
- A. less than zero.
 - B. equal to zero.
 - C. greater than zero.
28. A 5% semi-annual pay bond with a par value of \$1,000 is priced for settlement on February 5. If interest payments are made on May 31 and November 30, accrued interest based on 30/360 day-count convention is closest to:
- A. \$9.03.
 - B. \$9.18.
 - C. \$9.31.

29. An analyst gathers the following information about returns for an equity index:

Year	Return %
1	5
2	3
3	12

The index's total return over three years is closest to:

- A. 18%.
 - B. 20%.
 - C. 21%.
30. An analyst discovers that several stocks exhibit a pattern of price declines in the spring and price increases in the fall. If the analyst can consistently earn abnormal returns using this information, the market is most likely.
- A. inefficient
 - B. weak-form efficient.
 - C. semi-strong-form.

31. An investor gathered the following data:

Par value of preferred stock offered with a 6% dividend rate	\$100
Company's sustainable growth rate	5%
Yield on comparable preferred stock issues	11.5%
Investor's marginal tax rate	30%

The value of the company's preferred stock is closest to:

- A. \$52.17.
- B. \$54.78.
- C. \$96.92.

32. In an order-driven market, if the trade price is determined by the limit price of an order, the market most likely operates under the:

- A. uniform pricing rule.
- B. derivative pricing rule.
- C. discriminatory pricing rule.

33. An analyst gathers the following information on three investors. Each investor holds a bond with a Macaulay duration of 5.5 years in his portfolio:

	Investment Horizon
Investor A	5 years
Investor B	2 years
Investor C	8 years

All else equal, which investor is currently most vulnerable to an increase in interest rates?

- A. Investor A
- B. Investor B
- C. Investor C

34. An analyst gathers the following data about three assets' returns:

Correlation with the Market		
Asset	Portfolio's Returns	Beta
1	0.8	1.000
2	0.7	1.225
3	0.5	1.125

If the market portfolio's standard deviation of returns is 20%, the asset with the highest standard deviation is:

- A. Asset 1.
 - B. Asset 2.
 - C. Asset 3.
35. Jim Cotter is considering investing in a stock index fund and a property investment fund. His planned investment amounts, fund returns, and standard deviations are given in the table. The correlation between the two funds is -0.1.

Fund	Investment Amount	Expected Return	Standard Deviation
Stock index	10M	20%	35%
Property investment	90M	33%	70%

The portfolio's standard deviation is closest to:

- A. 62.75%.
 - B. 63.10%
 - C. 63.45%.
36. For an option-free bond, effective duration:
- A. will be equal to modified duration if the yield curve is absolutely flat.
 - B. measures interest rate risk for both parallel and non-parallel benchmark yield curve shifts.
 - C. is an estimate of the percentage change in bond price given a change in the bond's yield to maturity.
37. An analyst observes that stock markets usually demonstrate return distributions concentrated to the right with a higher frequency of negative deviation from the mean. This feature is most likely known as:
- A. kurtosis.
 - B. positive skewness.
 - C. negative skewness.

38. Which of the following statements is most accurate? In derivatives pricing:
- A. investors are assumed to be risk averse.
 - B. expected payoffs of the derivative can be discounted at the risk-free rate.
 - C. a portfolio consisting of the underlying and the derivative must earn the risk-free rate plus a risk premium.
39. Which of the following statements about digital assets is most accurate?
- A. Most have an inherent value based on the expected cash flow
 - B. They can be purchased through indirect investment vehicles such as hedge funds
 - C. They are generally recorded in private ledgers maintained by central intermediaries
40. The portion of a bond's value that an investor loses in an event of default best defines:
- A. default risk.
 - B. loss severity
 - C. expected loss.
41. Which investment will most likely expose investors to the greatest level of extension risk?
- A. Commercial mortgage-backed securities with a balloon payment
 - B. Shorter-term tranches in a collateralized mortgage obligation structure
 - C. Planned amortization class tranches in a collateralized mortgage obligation structure
42. A fiduciary call is equal to which of the following positions?
- A. Long a call and long a risk-free bond
 - B. Long a call, long a risk-free bond, and short a put
 - C. Long a call, short the underlying, and long a risk-free bond

43. An analyst gathers the following information about a company:

Next year's EPS forecast	\$0.60
Dividend payout ratio	45%
Growth rate	7%

Using the Gordon growth model, if the analyst's required return is 10%, the justified forward P/E for the company is closest to:

- A. 15.
- B. 18.
- C. 20.

44. An analyst gathers the following information about a company and its common stock:

Expected dividend per share (D_1)	\$2
Estimated dividend growth rate	4%
Return on equity	9%

Based on the Gordon growth model, if the required rate of return increases from 8% to 14%, the value of the stock decreases by:

- A. 50%
- B. 60%.
- C. 75%.

45. Which of the following derivative contracts has a hard commodity underlying?

- A. Cattle futures
- B. Soybean futures
- C. Aluminum futures

46. The historical results forecasting approach is most appropriate for a company:

- A. making a large acquisition.
- B. operating in a cyclical industry.
- C. with a low sensitivity to the business cycle.

47. At the initiation of a securitization, the primary role of the special purpose entity is to:

- A. sell the collateral.
- B. service the collateral.
- C. purchase the collateral.

48. Investing in correctional facilities to be constructed and sold to the government is best described as a(n):
- greenfield investment.
 - brownfield investment.
 - an economic infrastructure investment.
49. On 1 January, an investor purchases an option-free bond that pays an annual coupon rate of 10% on Dec 31 and matures in ten years at its par value of \$100. The investor plans to sell the bond immediately after receiving the seventh coupon. If the coupons are reinvested at an annual interest rate of 8% over the investor's holding period, the future value of the reinvested coupon payments at the end of the investor's holding period is closest to:
- \$70.00
 - \$75.90.
 - \$89.23.
50. An analyst gathers the following information (in \$ millions) about a company's fiscal year:
- | | |
|------------------------------|--------|
| Net income | 1,500 |
| Average total assets | 11,500 |
| Average shareholders' equity | 7,500 |
- If the dividend payout ratio is 45%, the sustainable growth rate is closest to:
- 7%.
 - 9%.
 - 11%.
51. In an efficient market, asset prices most likely react to the release of:
- expected information only.
 - unexpected information only.
 - both expected information and unexpected information.
52. The multiple of invested capital (MOIC) measure takes into account.
- the realized value of an investment only.
 - the residual asset value of an investment only.
 - both the realized value of an investment and the residual asset value of an investment.

53. Consider two 10-year bonds, one that contains no embedded options and the other that gives its owner the right to convert the bond to a fixed number of shares of the issuer's common stock. The convertibility option in the second bond cannot be exercised for five years. The bonds are otherwise identical. Compared with the yield on the convertible bond, the yield on the option-free bond is most likely.
- A. lower.
 - B. the same.
 - C. higher.
54. The type of index weighting system in which a stock split on one constituent security changes the weights on all the securities in the index is:
- A. price weighting.
 - B. equal weighting.
 - C. value weighting.
55. Two assets are correctly priced according to the CAPM. If the assets have the same expected variance of returns but different expected returns, the two assets must have different levels of:
- A. systematic risk only.
 - B. unsystematic risk only.
 - C. both systematic risk and unsystematic risk.
56. An analyst gathers the following information about a market for a stock:

Best offer	\$48
Market bid-ask spread	\$2

If a new sell limit order is placed at \$49, the limit order.

- A. takes the market.
 - B. makes the market.
 - C. is behind the market.
57. Which of the following statements regarding certificates of deposit (CDs) is most accurate?
- A. Small-denomination CDs are typically traded among institutional investors.
 - B. Non-negotiable CDs can be sold in the open market prior to the maturity date.
 - C. CDs are available in domestic bond markets as well as in the Eurobond market.

58. Which of the following lines is depicted on a graph using systematic risk on the horizontal axis?
- A. Capital market line (CML)
 - B. Security market line (SML)
 - C. Capital allocation line (CAL)
59. Which of the following investors is least likely to be concerned about liquidity risk?
- A. A manager of a fixed-income mutual fund
 - B. An individual investor intending to hold a bond to maturity
 - C. An investor using repurchase agreements to purchase bonds
60. Information-motivated traders are most likely to differ from pure investors in that they:
- A. pay lower transaction fees.
 - B. expect to earn excess returns.
 - C. hold well-diversified portfolios.
61. An investor bears more risk than initially thought because of the failure to consider the interaction of credit risk and market risk. This type of risk interaction is best described as:
- A. solvency risk.
 - B. wrong-way risk.
 - C. operational risk.
62. Which of the following industry classification schemes cover private companies, non-profits, and government entities?
- A. The Industry Classification Benchmark (ICB)
 - B. The Refinitiv Business Classification (TRBC)
 - C. The Global Industry Classification Standard (GICS)
63. A high-quality and a high-yield corporation are each issuing subordinated debt with similar characteristics. Compared to the high-yield issuer, the notching adjustment for the high-quality issuer will most likely be:
- A. smaller.
 - B. the same.
 - C. larger.

64. The holders of common shares of a company are legally entitled to:
- A. receive regular dividends from the company.
 - B. a repayment of the purchase price of their shares.
 - C. a claim on the company's net assets in the event of liquidation.
65. Which of the following categories of private debt most likely has the highest level of risk for an investor?
- A. Mezzanine debt
 - B. Senior direct debt
 - C. Infrastructure debt
66. Hedge funds are least likely to have restrictions concerning:
- A. the use of derivatives.
 - B. the withdrawal of invested funds.
 - C. the number of investors in the fund.
67. After issuance, the coupon rate of a floating-rate bond is most likely influenced by changes in:
- A. the reference rate only.
 - B. the issuer's credit quality only.
 - C. both the reference rate and the issuer's credit quality.
68. An investor buys a stock for \$108 on margin by posting 40% of the initial stock price as equity. If the maintenance margin requirement for the position is 20%, a margin call first occurs when the price falls below:
- A. \$64.80.
 - B. \$81.00.
 - C. \$86.40.
69. All else being equal, which of the following statements based on the binomial model is accurate? When the volatility of the underlying increases, the value of a:
- A. put option and the value of a call option on the underlying will increase.
 - B. put option on the underlying will increase while the value of a call option on the underlying will decrease.
 - C. call option on the underlying will increase while the value of a put option on the underlying will decrease.

70. An analyst calculates the duration of a portfolio containing only fixed-rate bonds, callable bonds, and asset-backed securities. Which duration measure is the most appropriate to use?
- A. Macaulay duration
 - B. Effective duration
 - C. Modified duration
71. Consider a put option selling for \$4 in which the exercise price is \$58. What is the profit for a put buyer if the price of the underlying at expiration is \$57?
- A. -\$3
 - B. \$1
 - C. \$3
72. A short exposure to an underlying instrument is achieved by:
- A. writing a put option.
 - B. buying a put option.
 - C. buying a call option.
73. All else equal, interest rate risk is lowest for which of the following non-callable bonds?
- A. Discount
 - B. Premium
 - C. Zero-coupon
74. Which of the following types of investors most likely has the highest risk tolerance?
- A. Banks
 - B. Endowments
 - C. Insurance companies
75. For an investor with a long position, the price of a futures contract will most likely be higher than the price on a forward contract on the same asset with the same expiration date if there is a:
- A. negative correlation between the futures price and interest rates.
 - B. zero correlation between the futures price and interest rates.
 - C. positive correlation between the futures price and interest rates.

76. Which of the following investments most likely provides an investor with indirect equity exposure to real estate?
- A. Real estate investment trusts
 - B. Real estate limited partnerships
 - C. Commercial mortgage-backed securities
77. Two risk managers are discussing how an organization's risk tolerance should be determined. The first manager says, "The risk tolerance must reflect the losses or shortfalls that will cause the organization to fail to meet critical objectives." The second manager responds, "The risk tolerance must reflect the external forces that bring uncertainty to the organization." Which of them is most likely correct?
- A. Both risk managers
 - B. The first risk manager
 - C. The second risk manager
78. In contrast to a contingent claim, a forward commitment creates counterparty risk for.
- A. the long position only.
 - B. the short position only.
 - C. both the long and the short positions.
79. Management fees for private equity funds are most likely based on:
- A. invested capital.
 - B. committed capital
 - C. assets under management.
80. Which of the following offers the flexibility of delaying harvests when their prices are down?
- A. Farmland only
 - B. Timberland only
 - C. Both farmland and timberland
81. Compared with co-investing, direct investing in alternative investments most likely offers:
- A. reduced control over the investment selection process.
 - B. the same level of control over the investment selection process.
 - C. higher control over the investment selection process.

82. An investor who prefers an asset with an uncertain expected payoff of \$50 to a guaranteed payoff of \$50 is best described as:
- A. risk averse.
 - B. risk neutral.
 - C. risk seeking
83. Which of the following market anomalies describes the consistent outperformance of stocks with low P/E ratios?
- A. The size effect
 - B. The value effect
 - C. The earnings surprise anomaly
84. The Procedures section of an investment policy statement (IPS) most likely:
- A. explains the steps to keep the IPS current.
 - B. provides information about the permissible use of leverage.
 - C. details the investor's policy with respect to rebalancing asset class weights.
85. In a positive interest rate environment, the modified duration of an option-free bond is most likely:
- A. less than the Macaulay duration.
 - B. the same as the Macaulay duration.
 - C. greater than the Macaulay duration.
86. Which of the following asset-backed securities provides the highest level of protection against prepayment risk?
- A. A mortgage pass-through security
 - B. A collateralized mortgage obligation
 - C. A commercial mortgage-backed security
87. Consider a \$100 par value bond with a 7% coupon paid annually and five years to maturity. At a discount rate of 6.5%, the value of the bond today is \$102.08. One day later, the discount rate increases to 7.5%. Assuming the discount rate remains at 7.5% over the remaining life of the bond, what is most likely to occur to the price of the bond between today and maturity? The price:
- A. decreases then increases.
 - B. increases then decreases.
 - C. decreases then remains unchanged.

88. Which of the following best describes an investment principle used in formulating a client's strategic asset allocation?
- A. Assets with greater nonsystematic risk should be given less weight in a portfolio
 - B. Returns on asset classes are a function of systematic factors relevant to those asset classes
 - C. The more efficient an asset class, the more skillful an asset manager has to be to add value
89. Which type of index does not use market capitalization as a weighting method?
- A. A commodity index
 - B. A broad equity market index
 - C. A real estate investment trust (REIT) index
90. A bond has a duration of 4.50 and convexity of 39.20. If interest rates increase by 0.5%, the percentage change in the bond's price will be closest to:
- A. -2.30%.
 - B. -2.25%
 - C. -2.20%