1. In the context of venture capital financing, seed-stage financing most likely supports:

A. initial commercial production and sales.

B. product development and/or marketing efforts.

C. transformation of an idea into a business plan.

2. For a hedge fund investor, a benefit of investing in a fund of funds is least likely the:

A. higher level of due diligence expertise.

B. multilayered fee structure.

C. ability to negotiate better redemption terms.

3. Which of the following infrastructure investments would most likely be easiest to value? A:

A. master limited partnership holding greenfield investments.

B. master limited partnership holding brownfield investments.

C. private equity fund holding brownfield investments.

4. The following information is available about a hedge fund:

Initial fund assets	\$100 million
Fund assets at the end of the period (before fees)	\$110 million
Management fee based on assets under management	2%
Incentive fee based on the return	20%
Soft hurdle rate	8%

No deposits to the fund or withdrawals from the fund occurred during the year. Management fees are calculated using end-of-period valuation. Management fees and incentive fees are calculated independently. The net-of-fees return of the investor is *closest* to:

A. 7.8%.

B. 7.4%.

C. 5.8%.

5. The real estate index most likely to suffer from sample selection bias is a(n):

A. repeat sales index.

B. REIT index.

C. appraisal index.