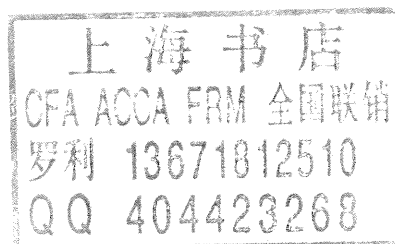


## BOOK 6 – SAMPLE EXAMS

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# NEW FOR 2007: BOOK 6 ANSWERS AND EXPLANATIONS ONLINE AT [WWW.SCHWESER.COM](http://WWW.SCHWESER.COM)

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For 2007, we have moved the explanations and calculations for the Sample Exam questions online, expanded them, and embedded links to supporting curriculum material for the relevant Learning Outcome Statements. We have also developed Performance Tracker, a tool that will provide you with exam diagnostics to target your study and review effort and allow you to compare your scores on the Sample Exams to those of other candidates. Of course, letter answers are still included in Book 6 for self-grading, and you can always access and print the explanations for any questions you choose. We think, however, that you will use and benefit from the expanded explanations, links to relevant curriculum topics, exam diagnostics, and information on how your scores compare to those of other candidates.

## USE YOUR SCHWESER *ONLINE ACCESS* ACCOUNT

All purchasers of Schweser Study Notes are sent login information for Online Access in an email. This is your login to view the 2007 Kickoff Seminar, join Faculty Office Hours, view video volumes in the Schweser Library, use the Schweser Study Planner, get Book 6 answer explanations, and use Performance Tracker. Simply login at [www.schweser.com](http://www.schweser.com) and select "Online Access" to use any of these features. If you need password help, go to [www.schweser.com/password](http://www.schweser.com/password) or use the "Password Help" link that appears if your login is unsuccessful.

## NEW BOOK 6 ONLINE FEATURES AT A GLANCE

### Answer Explanations

Our new format contains expanded Book 6 answer explanations to help candidates understand why one answer is the best of all the choices and why others answers are not. When using Performance Tracker, you can choose to get detailed explanations for only those questions you missed.

### Links to Curriculum

Within the answer explanations, we have embedded links to the relevant content for review. This can include multiple Learning Outcome Statements, concepts, definitions, or formulas.

### Exam Diagnostics

When you enter your answers in our Performance Tracker utility, you can request a breakdown of your overall score on any one-half (120 question) exam. See how you performed by topic area, study session, or reading. You can even get the Learning Outcome Statement references for questions you answered incorrectly, to help you focus your review efforts.

### Performance Comparison

When you enter your answers on the page for Performance Tracker, you can find out how your score on each half-exam compares to the scores of all others who entered their answers.

Log in today and enjoy the benefits of the Kickoff Seminar, Schweser Library, Faculty Office Hours, Schweser Study Planner, expanded Book 6 Answers, and Performance Tracker.

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# HOW TO USE THIS BOOK

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Book 6 is a very important part of the Schweser Study Program. Don't skip over it.

You shouldn't take the 2007 Level 1 CFA® Exam without lots of practice answering questions.

Test yourself with these sample exams only after you have completed all the assigned readings.

The purpose of these questions is to make sure that you know all the concepts and ideas that are in the assigned readings. If you truly know the material you will do well on the actual exam. While our sample questions cover all the material, **they are not the actual exam questions**. Our sample tests are not designed to predict your score on the actual CFA exam. Use them to practice and identify those areas in which you need additional work.

Remember though, that CFA Institute® tries very hard every year to come up with new and innovative ways to test you. Your only defense against a tricky exam writer is to actually know the material. Learning the material is what our sample questions are designed to help you do.

The current CFA exam is structured so that the morning and afternoon exams are each independent exams covering all the material. So, the three 6-hour sample exams here in Book 6 really are six 3-hour sample exams. This gives you several opportunities to test your progress.

Our recommendations for using this book are:

- After you have finished your first complete review of the assigned reading material, take the morning portion of Sample Exam 1. Take your time on this exam. Enter your answers online. Performance Tracker will identify your weak spots. Go back and restudy everything, giving special emphasis to your weak areas.
- After you have completely reviewed the material, take the afternoon portion of Sample Exam 1. Again, take your time and do a complete review of the material, placing special emphasis on the weak spots pointed out by the exam.
- On the Saturday three weeks before the exam, take the first half of Sample Exam 2. But this time give yourself exactly three hours to complete the exam. If you spend more time than this, you will get a false reading of your performance. Remember that a big portion of the exam is the time pressure that you will be put under. A lot of the questions appear to be easy if you give yourself extra time or take a peek in the study guide for hints. Again, review your weak areas.
- On the Saturday two weeks before the exam, do the second half of Sample Exam 2 in three hours. Use Performance Tracker to identify weak areas and compare your score to those of other candidates.
- On the Saturday before the exam take the entire Sample Exam 3 in six hours. Review again.

**Whatever you do, don't memorize these questions.** Instead, learn the logic behind each of the questions. CFA Institute® isn't going to ask you our questions, but they will ask you questions that address the same concepts, logic, and definitions necessary to answer the sample exam questions.

---

# SAMPLE EXAM 1

## MORNING SESSION ANSWERS

---

1. C
2. A
3. A
4. D
5. A
6. D
7. C
8. A
9. C
10. B
11. D
12. A
13. D
14. C
15. D
16. C
17. D
18. B
19. B
20. C
21. C
22. A
23. C
24. B
25. B
26. A
27. A
28. D
29. D
30. B
31. B
32. C
33. D
34. A
35. A
36. D
37. D
38. C
39. B
40. D

41. A
42. B
43. D
44. B
45. B
46. D
47. B
48. A
49. B
50. B
51. D
52. C
53. C
54. B
55. A
56. D
57. C
58. A
59. A
60. D
61. B
62. C
63. B
64. D
65. B
66. A
67. C
68. C
69. B
70. B
71. B
72. B
73. D
74. D
75. A
76. A
77. B
78. C
79. C
80. D

81. A
82. B
83. C
84. D
85. A
86. A
87. C
88. B
89. A
90. A
91. D
92. D
93. A
94. B
95. B
96. C
97. D
98. C
99. A
100. B
101. D
102. B
103. D
104. D
105. D
106. C
107. C
108. D
109. A
110. C
111. D
112. B
113. C
114. B
115. D
116. D
117. B
118. D
119. A
120. C

---

## SAMPLE EXAM 1

### AFTERNOON SESSION ANSWERS

---

- |       |       |        |
|-------|-------|--------|
| 1. D  | 41. A | 81. C  |
| 2. A  | 42. A | 82. D  |
| 3. B  | 43. B | 83. A  |
| 4. D  | 44. C | 84. A  |
| 5. C  | 45. D | 85. A  |
| 6. A  | 46. C | 86. B  |
| 7. D  | 47. D | 87. B  |
| 8. C  | 48. A | 88. B  |
| 9. C  | 49. A | 89. C  |
| 10. D | 50. B | 90. D  |
| 11. B | 51. A | 91. D  |
| 12. D | 52. D | 92. C  |
| 13. A | 53. B | 93. D  |
| 14. A | 54. C | 94. C  |
| 15. D | 55. B | 95. B  |
| 16. D | 56. B | 96. D  |
| 17. C | 57. A | 97. B  |
| 18. C | 58. A | 98. A  |
| 19. C | 59. C | 99. C  |
| 20. D | 60. B | 100. C |
| 21. C | 61. D | 101. D |
| 22. C | 62. A | 102. D |
| 23. C | 63. D | 103. A |
| 24. D | 64. B | 104. B |
| 25. C | 65. C | 105. D |
| 26. B | 66. B | 106. D |
| 27. C | 67. B | 107. C |
| 28. C | 68. B | 108. B |
| 29. B | 69. A | 109. A |
| 30. D | 70. A | 110. C |
| 31. B | 71. A | 111. C |
| 32. D | 72. C | 112. C |
| 33. D | 73. D | 113. D |
| 34. B | 74. C | 114. A |
| 35. C | 75. C | 115. B |
| 36. D | 76. D | 116. A |
| 37. D | 77. D | 117. D |
| 38. C | 78. D | 118. C |
| 39. B | 79. A | 119. C |
| 40. A | 80. D | 120. D |

---

## SAMPLE EXAM 2

### MORNING SESSION ANSWERS

---

1. A
2. B
3. B
4. D
5. A
6. A
7. A
8. D
9. A
10. A
11. D
12. A
13. C
14. C
15. D
16. B
17. C
18. A
19. C
20. B
21. D
22. C
23. B
24. A
25. A
26. A
27. D
28. C
29. B
30. C
31. B
32. B
33. B
34. C
35. B
36. C
37. A
38. C
39. D
40. D

41. B
42. C
43. D
44. B
45. D
46. C
47. A
48. B
49. A
50. D
51. D
52. A
53. C
54. B
55. C
56. A
57. A
58. B
59. D
60. D
61. A
62. D
63. C
64. D
65. A
66. A
67. D
68. D
69. C
70. A
71. A
72. A
73. B
74. C
75. A
76. D
77. A
78. C
79. B
80. D

81. B
82. C
83. B
84. C
85. D
86. D
87. B
88. C
89. C
90. C
91. B
92. B
93. A
94. B
95. C
96. A
97. D
98. B
99. A
100. C
101. D
102. D
103. B
104. D
105. D
106. D
107. B
108. C
109. D
110. B
111. B
112. C
113. D
114. A
115. D
116. B
117. A
118. D
119. D
120. D

---

## SAMPLE EXAM 2

### AFTERNOON SESSION ANSWERS

---

- |       |       |        |
|-------|-------|--------|
| 1. B  | 41. C | 81. D  |
| 2. B  | 42. A | 82. A  |
| 3. C  | 43. C | 83. C  |
| 4. C  | 44. B | 84. A  |
| 5. A  | 45. B | 85. D  |
| 6. A  | 46. B | 86. D  |
| 7. D  | 47. B | 87. B  |
| 8. D  | 48. C | 88. C  |
| 9. A  | 49. C | 89. A  |
| 10. B | 50. D | 90. B  |
| 11. C | 51. A | 91. D  |
| 12. A | 52. B | 92. D  |
| 13. C | 53. A | 93. A  |
| 14. B | 54. C | 94. B  |
| 15. D | 55. A | 95. A  |
| 16. B | 56. B | 96. D  |
| 17. C | 57. B | 97. B  |
| 18. A | 58. B | 98. C  |
| 19. B | 59. D | 99. B  |
| 20. B | 60. D | 100. D |
| 21. A | 61. B | 101. B |
| 22. A | 62. B | 102. D |
| 23. D | 63. A | 103. A |
| 24. C | 64. A | 104. B |
| 25. D | 65. B | 105. D |
| 26. B | 66. D | 106. B |
| 27. B | 67. B | 107. D |
| 28. C | 68. A | 108. D |
| 29. A | 69. B | 109. D |
| 30. B | 70. C | 110. C |
| 31. A | 71. D | 111. B |
| 32. C | 72. A | 112. A |
| 33. D | 73. A | 113. A |
| 34. A | 74. C | 114. A |
| 35. B | 75. D | 115. D |
| 36. C | 76. B | 116. C |
| 37. D | 77. B | 117. C |
| 38. A | 78. D | 118. C |
| 39. B | 79. A | 119. A |
| 40. B | 80. C | 120. D |



---

## SAMPLE EXAM 3

### MORNING SESSION ANSWERS

---

1. B
2. D
3. B
4. A
5. B
6. C
7. A
8. A
9. D
10. C
11. B
12. B
13. D
14. C
15. A
16. D
17. D
18. A
19. A
20. B
21. D
22. B
23. C
24. A
25. A
26. D
27. D
28. D
29. C
30. C
31. D
32. A
33. D
34. D
35. D
36. D
37. A
38. C
39. D
40. C

41. A
42. C
43. D
44. C
45. D
46. B
47. C
48. B
49. D
50. B
51. B
52. C
53. C
54. C
55. C
56. D
57. C
58. B
59. B
60. B
61. C
62. B
63. B
64. A
65. B
66. A
67. C
68. C
69. D
70. C
71. A
72. D
73. D
74. A
75. D
76. A
77. A
78. D
79. C
80. C

81. B
82. B
83. D
84. C
85. B
86. C
87. D
88. D
89. A
90. D
91. C
92. D
93. D
94. B
95. A
96. D
97. A
98. C
99. D
100. B
101. A
102. D
103. C
104. B
105. C
106. C
107. C
108. A
109. B
110. B
111. A
112. C
113. C
114. B
115. B
116. D
117. B
118. B
119. A
120. A

---

## SAMPLE EXAM 3

### AFTERNOON SESSION ANSWERS

---

- |       |       |        |
|-------|-------|--------|
| 1. D  | 41. C | 81. D  |
| 2. D  | 42. B | 82. B  |
| 3. B  | 43. A | 83. C  |
| 4. D  | 44. A | 84. A  |
| 5. B  | 45. B | 85. B  |
| 6. B  | 46. D | 86. A  |
| 7. C  | 47. C | 87. C  |
| 8. B  | 48. C | 88. B  |
| 9. A  | 49. B | 89. B  |
| 10. D | 50. C | 90. D  |
| 11. B | 51. D | 91. D  |
| 12. B | 52. C | 92. C  |
| 13. C | 53. B | 93. C  |
| 14. A | 54. D | 94. C  |
| 15. C | 55. C | 95. D  |
| 16. A | 56. C | 96. A  |
| 17. C | 57. A | 97. C  |
| 18. A | 58. C | 98. C  |
| 19. A | 59. A | 99. C  |
| 20. C | 60. B | 100. D |
| 21. A | 61. C | 101. C |
| 22. D | 62. D | 102. D |
| 23. D | 63. D | 103. C |
| 24. A | 64. C | 104. B |
| 25. C | 65. C | 105. A |
| 26. D | 66. D | 106. D |
| 27. A | 67. C | 107. B |
| 28. C | 68. B | 108. D |
| 29. A | 69. D | 109. A |
| 30. C | 70. B | 110. B |
| 31. C | 71. C | 111. D |
| 32. B | 72. B | 112. A |
| 33. C | 73. C | 113. D |
| 34. C | 74. C | 114. D |
| 35. B | 75. C | 115. C |
| 36. D | 76. C | 116. A |
| 37. A | 77. B | 117. C |
| 38. B | 78. C | 118. D |
| 39. B | 79. C | 119. C |
| 40. C | 80. D | 120. B |