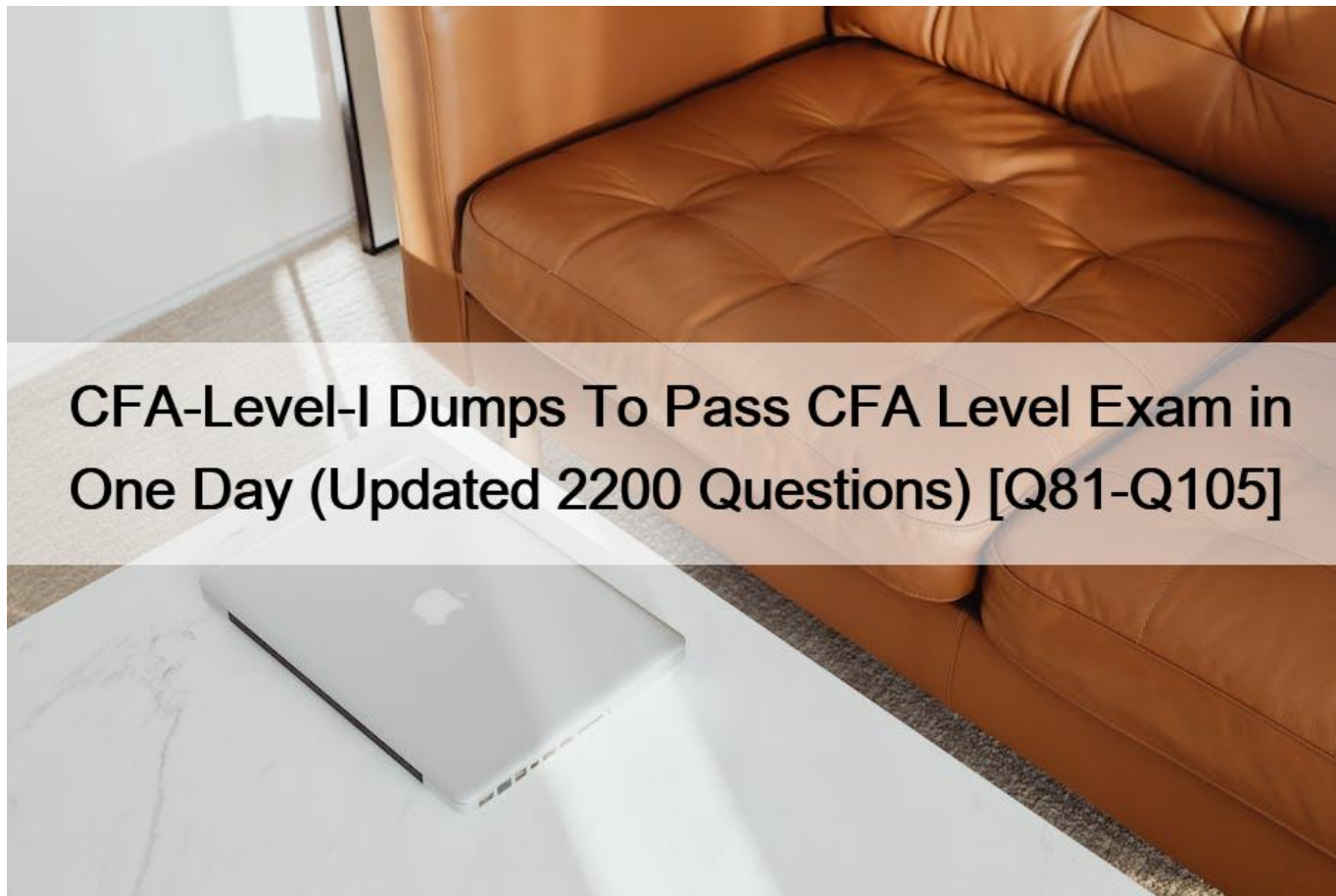


CFA-Level-I Dumps To Pass CFA Level Exam in One Day (Updated 2200 Questions) [Q81-Q105]



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CFA-Level-I Exam Brain Dumps - Study Notes and Theory

How to book CFA CFA-Level-I: CFA Institute CFA Level I Chartered Financial Analyst Exam

You must follow these steps to apply for CFA Level 1:

- Go to the Official Site CFA Level 1- Carefully read the directions- Follow the steps mentioned- Apply for the CFA level 1

Topics of CFA CFA-Level-I: CFA Institute CFA Level I Chartered Financial Analyst Exam

Before preparation begins, candidates need to know the examination topics. And it's going to help them to reach the center. **CFA Level 1 exam dumps** will include the following topics:

- Economics- Ethical and Professional Standards

The focus of this topic is ethics, related challenges to ethical behavior, and the role ethics and professionalism play in the investment industry. We provide a framework to support ethical decision making and examine the CFA Institute Code of Ethics and Standards of Professional Conduct and Global Investment Performance Standards (GIPS).- Quantitative Methods
In this section, we explore quantitative concepts and techniques used in financial analysis and investment decision making. We present descriptive statistics for conveying important data attributes, such as central tendency, location, and dispersion, and introduce characteristics of return distributions. The section also considers probability theory and its application in

quantifying risk for investment decision making.

In this section, we introduce analysis of fundamental concepts of supply and demand for individual consumers and firms. We also cover the various market structures that firms operate in as well as macroeconomic concepts and principles, including aggregate output and income measurement, aggregate demand and supply analysis, and analysis of economic growth factors. The section concludes with coverage of the business cycle and its effect on economic activity.

Equity Investments

Here we explore the characteristics of equity investments, security markets, and indexes and explain how to analyze industries, companies, and equity securities as well as the use of basic equity valuation models. Global equities are important for meeting longer-term growth and diversification objectives.

Fixed Income

In this topic, we explain how to describe fixed income securities and their markets, yield measures, risk factors, and valuation measurements and drivers. We also cover calculating yields, values of fixed income securities, the securitization of assets, the fundamentals of bond returns and risks, and basic principles of credit analysis.

Financial Reporting and Analysis

Here we provide a thorough explanation of financial reporting procedures and the standards that govern financial reporting disclosures, with an emphasis on basic financial statements and how alternative accounting methods affect those statements and the analysis of them. We examine primary financial statements and provide a general framework for conducting financial statement analysis.

Portfolio Management

In this topic, we explain the fundamentals of portfolio and risk management, including return and risk measurement and portfolio planning and construction. We examine the needs of individual and institutional investors along with the range of available investment solutions. The capital asset pricing model is used to identify optimal risk in portfolios.

Alternative Investments

This topic explores alternative investments, including hedge funds, private equity, real estate, commodities, and infrastructure. We cover the use of alternative investments for diversification and higher returns. In this curriculum, we define alternative investments and the characteristics they have in common.

Corporate finance

In this topic, we provide an introduction to corporate governance as well as investing and financing decisions. We present an overview of corporate governance along with a framework for understanding and analyzing corporate governance and stakeholder management. We also highlight the growing impact of environmental and social considerations in investing. We cover how companies make use of leverage and manage their working capital to meet short-term operational needs.

NEW QUESTION 81

An investor invested \$10,000 in an open-end mutual fund 90 days ago. Today his investment is worth only \$9,874. What is his annualized rate of return?

- * -5.04%.
- * -5.01%.
- * -4.83%.

The rate of return is $(9,874 - 10,000) / 10,000 = -1.26\%$. The period is 90 days.

$(1 - 0.0126)^{(365/90)} - 1 = -5.01\%$.

NEW QUESTION 82

Which of the following Standards of Professional Conduct includes the ethical responsibility to not knowingly make any misrepresentations regarding investment analysis, recommendations, actions, or other professional activities?

- * Professionalism.
- * Duties to Clients.
- * Duties to Employers.

Professionalism is Standards of Professional Conduct.

NEW QUESTION 83

A box of candy contains three types of candy: dark chocolate (DC), white chocolate (WC), and peanut butter (PB). There are 24 pieces of candy in the box, 8 of each kind. All pieces are wrapped in the same material and there is no way of finding out what kind of candy one has until one unwraps the candy. An experiment consists of selecting pieces of candy randomly and identifying each piece. Once a piece of candy has been removed from the box, it is not put back in the box. Consider the following events: A, observing a chocolate piece, $A = \{WC, DC\}$, and B, selecting four pieces of candy such that $B = \{PB, DC\}$.

Which of the following statements is correct?

- * Events A and B are not mutually exclusive.
- * Events A and B are not exhaustive.
- * Events A and B may or may not be in the same sample space.

Events A and B are not mutually exclusive. The two events are not mutually exclusive nor disjoint because they share common outcomes. The events A and B are exhaustive because they cover all possible outcomes. A and B are a subset of the same sample space.

NEW QUESTION 84

Which of the following would an analyst need to adjust due to the capitalization of interest (assume

U.S. GAAP)?

- * cash flows from operations
- * cash flows from financing
- * current ratio

Cash flows from financing, the current ratio and quick ratio are not affected by the inclusion of interest in the cost of assets. Cash flows from operations would need to be adjusted by a reduction in the amount of the interest capitalized.

NEW QUESTION 85

If a company's operating cycle lasts for 2 years, which time frame should be used to categorize current assets?

- * 1 year.
- * either 1 year or 2 years.
- * 2 years.

They are cash and other assets expected to be converted into cash, sold, or consumed either in one year or in the operating cycle, whichever is longer.

NEW QUESTION 86

When the economic revival begins, companies will tend to:

- * start hiring new workers right away.
- * hire overtime or temporary employees.
- * start cutting hours and freeze hiring.

They will wait for the expansion to give clear signs of life, as hiring new workers is an expensive process.

NEW QUESTION 87

The price of a 15-year, semi-annual pay, 8% coupon bond increases by 9.53% if the bond's yield to maturity decreases by 100 basis points from 7% to 6%. The percentage change in the bond's price caused by a decrease in yield to maturity from 10% to 9% is:

- * 7.89%
- * 8.21%
- * 8.54%

To yield 10%, this bond's price is \$846.28. To yield 9%, this bond's price is \$918.55.

NEW QUESTION 88

As sample size increases,

- * Critical values for t decrease.
- * Degrees of freedom decrease.
- * Confidence interval width increases.

As sample size increases, degrees of freedom increase and critical values for t decrease.

Thus, the amount added to or subtracted from the sample mean to create the confidence interval will decrease. Therefore, confidence interval width will be decrease.

NEW QUESTION 89

In terms of CFA Institute's Standards of Professional Conduct when dealing with the purpose and scope of Standard V(A): Diligence and Reasonable Basis, which of the following statements are correct?

- I). Members must establish a reasonable basis for all investment recommendations and actions.
 - II). This standard is meant to address only the member-client relationship.
 - III). Diligence must be exercised to avoid any material misrepresentation.
 - IV). Records and documentation must be maintained in order to support the investment recommendations and actions.
- * I and II only.
 - * I and III.
 - * I, III and IV only.

This standard is also meant to address the role of the member within the investment decision making process as well as the support provided by the organization to the investment professional in carrying out his role.

NEW QUESTION 90

An analyst has collected the following data about a firm:

Receivables turnover = 10 times Inventory turnover = 8 times Payables turnover = 12 times

What is the average receivables collection period, the average inventory processing period, and the average payables payment period respectively? (Assume 360 days in a year)

- * 36 days: 45 days: 30 days.
- * 45 days: 36 days: 30 days.
- * 33 days: 30 days: 20 days.

Receivables collection period = $360/10 = 36$ days Inventory processing period = $360/8 = 45$ days Payables payment period = $360/12 = 30$ days

NEW QUESTION 91

The price decreases from \$2,000 to \$1,800. Quantity demanded per year increases from 5000 to

6 000 units. Which of the following is correct?

- * The price elasticity of demand is -2.
- * Income elasticity is + 0.5.
- * The good is inferior.

The percentage change in demand is +20%; the percentage change in price is -10% so the price elasticity of demand is -2.

NEW QUESTION 92

If a researcher were to choose random days and calculate the difference in sales volume for the two fish markets in New Bedford, Massachusetts and analyze those differences, what type of experiment is being conducted?

- * F test
- * paired difference
- * t test

NEW QUESTION 93

The probability that the price of a stock increases is 0.30. The price of the stock will either increase or decrease each day independently of what happened on the previous day. An experiment consists of observing the price of this stock during a 30-day period. What is the probability that the stock price will increase 10 days out of the 30 days?

- * 0.03
- * 0.1416
- * 0.3333

The number of days that the stock price increases over this period follows a binomial distribution with 30 trials, a probability of success (increase in stock price) equal to 0.30 and a probability of failure (decrease in stock price) equal to 0.70. Therefore, the parameters of the distribution are $n = 30$ and $p = 0.3$. The probability that the number of successes is 10 out of 30 trials is: $p(10) = 0.1416$.

NEW QUESTION 94

Oakmont Corporation issued \$ 100,000 of callable bonds on 1/1/99 at a coupon rate of interest of 7%.

The bonds sold at a discount which resulted in an effective yield of 8% to the bond investors. On January

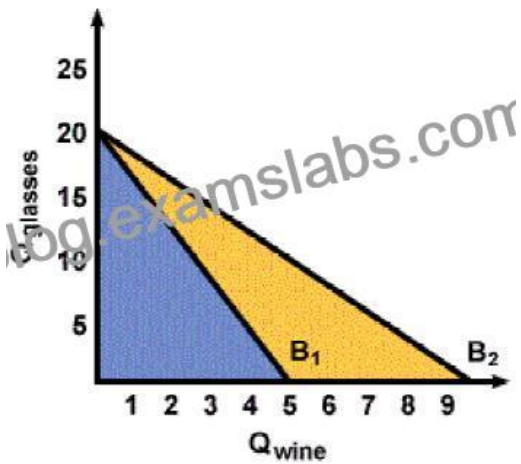
1, 2000, the yield on these bonds fell to approximately 7% as market conditions led to an increase in bond prices. What change, if any, should Oakmont make to its accounting records to reflect the change in the yield?

- * Increase the carrying value of the bonds payable
- * Compute future interest expense based on the 7% new effective rate
- * No change is made to the accounting records

The only yield used to compute the carrying value is the one in effect when the bonds are sold. After that time, the bonds are always valued at that historical cost adjusted for amortization.

NEW QUESTION 95

B1 is a consumer budget constraint.



Now the line moves to B_2 . This indicates that:

- * The consumer's budget has increased.
- * The price of wine has dropped.
- * The price of glasses has dropped.

The budget line rotates out because the consumer can buy more wine.

NEW QUESTION 96

Automatic stabilizers will tend automatically to promote a

- * budget deficit during an economic boom.
- * budget deficit during a recession.
- * budget surplus during a recession.

They institute counter-cyclical fiscal policy automatically, that is a budget deficit during a recession and a budget surplus during an economic boom.

NEW QUESTION 97

Robert Haugen in his book, *The New Finance: The Case against Efficient Markets*, argued that the evidence implies investors initially underestimate firms showing strong performance and then overreact.

Haugen was referring to the anomaly of:

- * market momentum.
- * earning surprise.
- * value effect.

Haugen concluded that the market overreacts with a lag and that we apparently have a market that is slow to overreact.

NEW QUESTION 98

Consider the following statements about t and z-tests:

- The degrees of freedom in a t-distribution depend on sample size, and generally the degrees of freedom are defined as $n-1$.
- As sample size increases a t-graph begins to resemble a z-graph.

III). For infinity degrees of freedom the critical values for a z-distribution can also be found on a t-table in the row that has infinity as its degrees of freedom.

Which statement(s) is/are TRUE?

- * I and II.
- * I and III.
- * I, II and III.

NEW QUESTION 99

Consider the following conditions of beginning inventory and the stated results:

Beginning Cost of Inventory Goods Sold Net Income

- * Overstated Overstated Overstated
- * Understated Understated Understated
- * Overstated Overstated Understated

Which condition is true with regard to the beginning inventory, assuming FIFO is used?

- * Condition A
- * Condition B
- * Condition C

When beginning inventory is overstated, inventory costs assigned to the cost of goods sold will be overstated and consequently the net income will be understated.

NEW QUESTION 100

Which statement is false?

- * Disinflation is a decrease in the rate of inflation.
- * Deflation causes an increase in the real value of money and other monetary items.
- * When disinflation occurs the aggregate price level starts to fall.

When disinflation occurs the aggregate price level still keeps rising but at a slower speed.

NEW QUESTION 101

If two companies have identical operating risk, they also have identical

- * Business risk.
- * Sensitivity of operating earnings to changes in the number of units produced and sold.
- * Total leverage.

NEW QUESTION 102

The Dow Jones Industrial Average is an example of

- * price return index.
- * total return index.
- * value return index.

Most indices are price return indices.

NEW QUESTION 103

DuPont analysis generates which ratio?

- * Return on Assets.
- * Return on Equity.
- * Profit Margin.

DuPont analysis: a system of analyzing return on assets through examining the profit margin and asset turnover. Also, the value of return on equity is analyzed through evaluating return on assets and the debt/total assets ratio.

NEW QUESTION 104

If your discount rate is 8% per year, calculate the present value of the following cash flows:

End of year 1: \$2,200

End of year 2: \$3,000

End of year 3: \$7,300.

- * \$10,404.
- * \$11,239.
- * \$9,876.

2 3

Explanation: The present value = $2,200/1.08 + 3,000/(1.08) + 7,300/(1.08) = 10,404$.

NEW QUESTION 105

Which of the following will increase the aggregate demand?

I). Higher prices in stock market.

II). Higher prices in real estate market.

III). Higher real wealth.

- * III only.
- * I, II, III.
- * None of them. They will increase the quantity of aggregate demand but not the aggregate demand itself.

Increase in stock and housing prices increases real wealth of households, and thus increases the aggregate demand.

How to study the CFA CFA-Level-I: CFA Institute CFA Level I Chartered Financial Analyst Exam

There are two main types of tools for preparing for CFA Level 1 qualification exams. First, there are study guides and books that are detailed and suitable for building information from the ground up. Then there are video tutorials and lectures that can somehow ease the pain of training and are comparatively less tiring for some applicants, but they take time and concentration from learning. Smart

candidates who want to build a strong base on all exam topics and relevant technology normally combine video lectures with study guides to reap the benefits of both, but, as often ignored by most candidates the **CFA Level 1 practice exams**, there is one vital training method.

As an aspiring or active investor, you need the expertise and experience to succeed in a highly competitive industry. The CFA programme is built to provide you with the kind of experience and real world know-how to carry out your job analysis. If you are an intern, a worker, a transitional occupation or an investment professional, the CFA programme gives you a path to advance and accomplish your professional objectives. The CFA Program is a three-part review that examines the basics of investing tools, asset assessment, portfolio management and wealth planning. The CFA Program is mostly completed for people of administrative, accounting, economic or commercial backgrounds. Holders of the CFA charter shall be entitled to use the CFA classification until completion, application and approval of the curriculum by the CFA Institute. CFA charter members are eligible to work in wealth management, risk management, wealth control, and more in senior and executive roles. **CFA Level 1 practice test** is the best start towards understanding the concepts of examination.

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