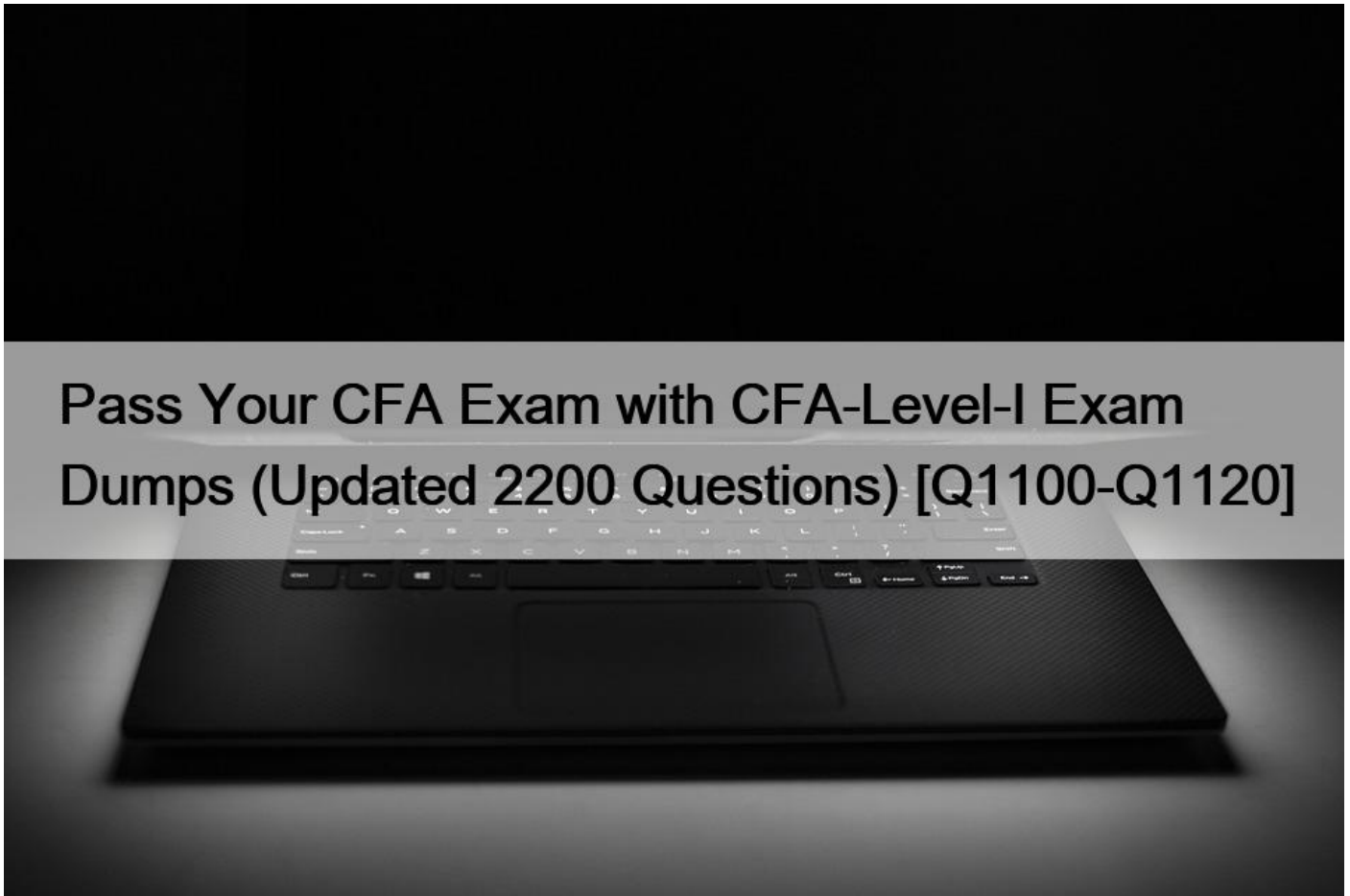


Pass Your CFA Exam with CFA-Level-I Exam Dumps (Updated 2200 Questions) [Q1100-Q1120]



Pass Your CFA Exam with CFA-Level-I Exam Dumps (Updated 2200 Questions)
CFA-Level-I Exam Dumps - CFA Practice Test Questions

The benefit of Obtaining the CFA CFA-Level-I: CFA Institute CFA Level I Chartered Financial Analyst Certification - More profitable and more time than an MBA program- Your CV is going to stand out- It is a field that is evolving.

In addition to the changing face of medical care in this country, the aging of the population means that there are more pharmacy patients.- The pay plan is more appealing

Difficulty in writing the CFA CFA-Level-I: CFA Institute CFA Level I Chartered Financial Analyst Exam Certification issues CFA Dumps Level 1 will aid in a limited period of time with 100% actual success in the planning of the test. The greatest difficulty when passing the CFA Level 1 examination is insufficient time to study for the examination. The candidate has many ways to practise himself for the exam by using studying readers, such as book reading, web guides, journals, informal training and many more. As an aspiring or active investor, you need the expertise and experience to succeed in a highly competitive industry. The CFA program 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. Where all these sources have good arguments, it is time for a big poor argument as well. If the applicant uses one of these options, it can require more time. **CFA Level 1 exam dumps** was suggested for

exam training by specialists and practitioners to save time. 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.

NO.1100 An investor invests \$5000 today for 7 years at an interest rate of 8% compounded quarterly. Which of the following is true?

- * The effective annual interest rate is 8.24 % and the future value of the investment at the end of 7 years is \$8,705.12.
- * The effective annual interest rate is 8.24 % and the future value of the investment at the end of 7 years is \$8,725.12.
- * The stated nominal annual interest rate is 8.35 % and the future value of the investment at the end of 7 years is \$8,705.12.

Using Texas Instruments BA II PLUS

To work out the future value

2 nd QUIT: 0.00

2 nd CLR TVM: 0.00

2 nd P/Y: P/Y = previous value

4 ENTER: P/Y = 4.00

2 nd QUIT: 0.00 5000 +/- PV: PV = 5,000.00 28 N: N = 28.00 8 I/Y: I/Y = 8.00 CPT FV: FV = 8,705.12

And to find the effective annual interest rate

2 nd QUIT: NOM = previous value

2 nd CLR TVM: NOM = 0.00

8 ENTER: NOM = 6.00 DownArrow: EFF = 0.00 DownArrow: C/Y = previous value

4 ENTER: C/Y = 4.00 UpArrow: EFF = 0.00 CPT: EFF = 8.24

Using HP 12C

To find Future value, f CLEAR FIN: 0.00000000 f CLEAR REG: 0.00000000 28 n: 28.00000000 2 i:

2 .00000000 5000 CHS PV: -5,000.000000 g END: 8.24; 3,000.000000 FV: 8,705.12 FV: 8,705.12

To find Effective Rate: f CLEAR FIN: 0.00000000 f CLEAR REG: 0.00000000 8 ENTER: 8.00000000 4 n x i: 2.00000000 100 CHS ENTER PV: -100.00000000 FV: -108.2432160 i: 8.24321600.

NO.1101 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.

NO.1102 Which of the following statements is incorrect concerning the CAPM?

- * It is intended to allow investors to calculate the realized rate of return on a security.
- * A diagram of the CAPM has beta on the horizontal axis.
- * The Security Market Line is the graphic depiction of the CAPM.

The CAPM is intended to allow investors to calculate the required or appropriate expected rate of return on a security, not a realized rate of return. Realized returns are calculated, by definition, after the fact while the CAPM is used before the fact.

NO.1103 What type of charts does NOT provide four prices per data point entry?

- * Point and figure chart.
- * Candlestick chart.
- * Bar chart.

Both candlestick chart and bar chart provide four prices per data point entry.

NO.1104 David Stoyer is valuing a 400,000 square feet building. What is the value of his property using the sales/square ft technique assuming that the table below shows all recent sales of comparable properties in his proximate area?

- * \$22,500,000
- * \$20,374,000
- * \$20,000,000

Be careful of traps! This relatively straightforward question has several misleading answers.

The correct answer requires a multiplication between the 400,000 square footage and the average sales/sq ft. In this problem, the average sales per square foot is 50.935. When this average is multiplied by 400,000 square feet, the valuation becomes \$20,374,000. The answers of \$20,000,000 and

\$ 25,000,000 are designed to trap candidates that select based on the same size (400,000) as the question. However, the correct answer should be based on the average, and not a specific property, per se.

NO.1105 Cash flows from operations are higher when:

- * costs are capitalized.
- * costs are expensed.
- * there is a gain from the sale of equipment.

When costs are capitalized, they are recorded as a long-term asset. Consequently the cash flow shows up under cash flows from investing activities. Capitalization of interest is an example. Instead of being recorded as interest expense, it is added to the cost of the asset being constructed. It causes the cash flow to be reported as an investing cash flow rather than an operating cash flow.

NO.1106 Two bonds issued by the same corporation have identical coupon rate, payment frequency, par value and time to maturity. The indenture of the first bond contains a call option, and the indenture of the second bond specifies a conversion privilege.

- * The value of the first bond is greater than or equal to the value of the second bond
- * The value of the first bond is less than the value of the second bond
- * There is not enough information to determine the correct response

Because the promised cash flows are identical, the value of the bonds would be the same except for the impact of the embedded options. The call option, because it is an option the bond issuer can exercise, reduces the value of the bond. The conversion option, because it is an option the bond owner can exercise, increases the value of the bond.

NO.1107 On the same test, Tom scored at the 87th percentile, and Bill scored at the 73rd. This means

- * Tom is 14% better than Bill.
- * Tom scored 14 more points than Bill.
- * 14% of those taking the test got scores ranging between Tom's and Bill's.

NO.1108 The assumptions of capital market theory expand on those of the _____ portfolio model and include consideration of the _____ rate of return.

- * Efficient Market; risk-free
- * Markowitz; risk-free
- * Efficient Market; above average

NO.1109 The current exchange rate for Japanese yen is $Y(\text{JPY}):\$ = 0.008415$. For a U.S. investor this is an example of:

- * An indirect quote.
- * A cross-rate quote.
- * A direct quote.

A direct quote provides the home currency price of a specific quantity of foreign currency. An indirect quote states the foreign currency price of one unit of home currency.

NO.1110 A 5.25% coupon Treasury security with one year left to maturity is selling for 101.75, and a two-year

5.45% coupon Treasury security is selling at a discount of 0.40% from par. Assume annual discounting.

The spot rate for the second year is

- * 5.67%
- * 5.45%
- * 5.73%

The first year spot rate is computed first from the 1-year bond. $FV = 105.25$; $N = 1$; $PV =$

-101.75 ; $CPT I/Y = 3.44\%$

It is then used in the valuation of the 2-year bond, without the forward rate. $99.60 = 5.45/(1.0344) + 105.45/(1 + s)^2$ $s^2 = [105.45 / (99.60 - 5.45/1.0344)]^{1/2} - 1 = 0.0573$, or 5.73%

NO.1111 Which of the following indicates a company's ability to cover currently maturing obligations from recurring operations?

- * Cash flow from operations to current liabilities
- * Working capital
- * Quick ratio

Free cash flow is the excess of operating cash flow over the basic needs.

NO.1112 Which statement is false?

- * The majority of GDRs are denominated in U.S. dollars.
- * GDRs cannot be sold to investors based in the U.S.
- * An ADR is one form of GDR.

GDRs are not listed on U.S. exchanges but they can be privately placed with institutional investors based in the U.S.

NO.1113 Under the completed-contract method, the billings on construction contract represents:

- * a measure of the contractor's obligation to perform on the contract.
- * a measure of the contractor's performance to date.
- * a measure of the revenue recognized to date.

The billings on construction contract account is the amount that has been billed to the purchaser and represents a measure of the

contractor's obligation to perform on the contract.

NO.1114 Select the correct statement(s).

I). LIFO reserves must be disclosed in a firm's annual report.

II). For income statement purposes, the more recent costs are matched against the current revenues under the LIFO assumption.

III). During periods of falling input prices, FIFO would underestimate gross profit.

* I and II.

* I and III.

* All of them.

NO.1115 The marginal revenue product will shift to the right if

* the price of the product falls.

* the productivity of the resource decreases.

* the quantity of other inputs working with the input increases.

An increase in the use of other inputs will increase the productivity of this input, e.g. labor which has more or better capital to work with. The marginal product of the input increases, and consequently so does the marginal revenue product. Decreased product price or decreased productivity will decrease marginal revenue product for any unit of input and shift the marginal revenue product curve to the left.

NO.1116 Market neutral hedge funds are best described as:

* Funds managed to have no interest rate risk.

* Funds managed to have no exchange rate risk.

* Funds managed to have net neutral exposure to equities.

Market neutral hedge funds are hedge funds that take long positions in undervalued stocks and short positions in overvalued stocks, but on average the value of long positions equal the value of short positions, so that the overall fund is neither long nor short with respect to equities.

NO.1117 BWT, Inc. shows the following data in its financial statements at the end of the year. Assume all securities were outstanding at the beginning of the year:

6.125% convertible bond, convertible into 33 shares of common stock. Issue price \$1,000, 100 bonds

*

outstanding.

6.25% convertible preferred stock, \$100 par, 2,315 shares outstanding. Convertible into 3.3 shares of

*

common stock, Issue price \$100

8% convertible preferred stock, \$100 par, 2,572 shares outstanding. Convertible into 5 common

*

shares, Issue price \$80

9,986 warrants are outstanding with an exercise price of \$38. Each warrant is convertible into 1 share

*

of common.

Average market price of common is \$52.00 per share.

*

Common shares outstanding at the beginning of the year were 40,045.

*

Net Income for the period was \$200,000, while the tax rate was 40%.

*

What were the Basic EPS for the year?

* 4.22

* 3.97

* 4.12

Basic EPS = (Net income - preferred dividends) / Wt Average shares of common = (\$200,000

- \$35,045) / 40,045 = 164,955 / 40,405 = 4.12

NO.1118 The arrangement between Delphi and GE Capital allows Delphi to finance its accounts payable through GE Capital. In the period when GE Capital pays the amounts due from Delphi to its vendors

Delphi reclassifies these items from accounts payable to short-term loans. The reclassification results in a(n) _____ in Delphi's operating cash flow in that period. In the subsequent period Delphi repays GE

Capital, the outflow of the cash is reported as a _____ activity.

* higher, financing.

* lower, operating.

* lower, financing.

Operating cash flow is lower since the accounts payable is reduced.

It is a financing activity because it's a repayment of a loan.

NO.1119 Lease A does not contain a bargain purchase option, but the lease term is equal to 90% of the estimated economic life of the leased property. Lease B does not transfer ownership of the property to the lessee by the end of the lease term, but the lease term is equal to 70% of the estimated economic life of the leased property. How should the lessee classify these leases?

* Lease A: Operating lease; Lease B: Operating lease

* Lease A: Capital lease; Lease B: Capital lease

* Lease A: Capital lease; Lease B: Operating lease

If the lease term equals or exceeds (\geq) 75% of the asset's economic life, the lease should be categorized as a capital lease by the lessee.

NO.1120 Bob Ryan, CFA, is an analyst with a large insurance company. His personal portfolio includes a significant investment in the common stock of QRS Company, which his firm does not now follow. The director of the insurance company's research department asks Ryan to analyze QRS and write a report about its investment potential. Based on CFA Institute's Standards of Professional Conduct, Ryan should:

- * decline to write the report without specific approval of his supervisor.
- * sell his shares of QRS before completing the report.
- * disclose the ownership of the stock to his employer and in the report.

CFA CFA-Level-I: CFA Institute CFA Level I Chartered Financial Analyst Certified Professional Salary
Salaries for CFA level 1 Certified Professionals may vary by country. The estimated salaries of a **CFA level 1 exam test** given below:

India: 7,15,437 INR England: 78,000 Pounds United States: 15,000 USD Europe: 92,000 Euro

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