

## CFA® SAMPLE QUESTION - LEVEL I

# Alternative Investments

- Q:** Which of the following is the most likely reason why private equity firms perceive a depressed stock as an attractive target company for a leveraged buyout (LBO)?
- (a)** The current market price value of the company is expected to exceed its fair value.
  - (b)** The fair value of the company is expected to exceed its market price.
  - (c)** The intrinsic value of the company is expected to exceed its market price.



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