

CFA® SAMPLE QUESTION - LEVEL I

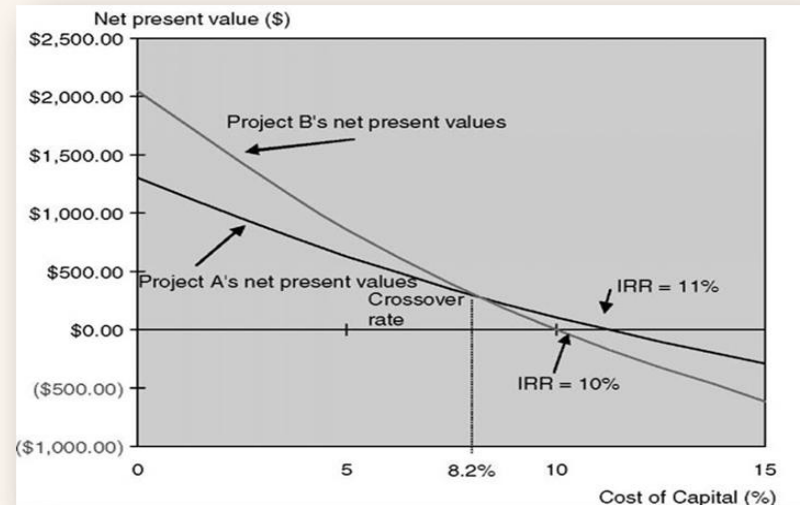
Corporate Finance

Q: The NPV profiles of two projects will intersect:

CORRECT ANSWER:

- Ⓒ at the discount rate that makes their net present values equal.**

The crossover rate for the NPV profiles of two projects occurs at the discount rate that results in both projects having equal NPVs.



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