

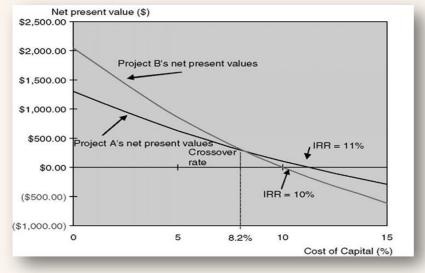
CFA® SAMPLE QUESTION – LEVEL I Corporate Finance

Q: The NPV profiles of two projects will intersect:

CORRECT ANSWER:

at the discount rate that makes their net present values equal. (\mathbf{C})

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





EASY

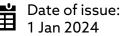
INTERMEDIATE

HARD

CFA Society Hong Kong Candidate Services



Mr. Zap Cheng, CFA **Candidate Services** Committee



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