

CFA® SAMPLE QUESTION - LEVEL I

Corporate Finance

Q: An increase in Company XYZ's cash conversion cycle and a decrease in operating cycle could most likely result:

Cash conversion cycle (increase)

- (a)** Decreased receivables turnover
- (b)** Decreased receivables turnover
- (c)** Increased inventory turnover

Operating Cycle (decrease)

- Increased payables turnover
- Decrease in days of inventory
- Increased payables turnover



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