

CFA® SAMPLE QUESTION – LEVEL I

Equity Investments

Q: Stock XYZ has the following characteristics:

Annual Dividend per Share	\$2.10
Risk free rate	7%
Risk Premium for this stock	4%

If the annual dividend is expected to be remained at \$2.10 forever. Then the value of this stock is closed to:

- (a) \$19.09
- (b) \$30.00
- (c) \$52.50
- (d) \$70.00



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