

CFA® SAMPLE QUESTION – LEVEL I

Equity Investments

- Q:** Which of the following is least likely an advantage of using price/sales (P/S) multiple?
- (a)** P/S multiples provide a meaningful framework for evaluating distressed firms.
 - (b)** P/S multiples are not as volatile as P/E multiples and hence may be more reliable in valuation analysis
 - (c)** P/S multiples are more reliable because sales data cannot be distorted by management.



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