

## CFA® SAMPLE QUESTION - LEVEL I

### Fixed Income

**Q:** Which of the below statement correctly describe a floating-rate issues that have caps and floors?

- a** A cap is an advantage to the bondholder, while a floor is an advantage to the issuer.
- b** A floor is an advantage to the bondholder, while a cap is an advantage to the issuer.
- c** A floor is an advantage to both the issuer and the bondholder, while a cap is a disadvantage to both



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