

CFA® SAMPLE QUESTION – LEVEL I

Portfolio Management

Q: If a firm announces an unexpectedly large cash dividend, the efficient market hypothesis (EMH) would predict which of the following price changes at the announcement?

- (a)** No price change.
- (b)** An abnormal price change to occur before the announcement.
- (c)** An abnormal price change to occur at the time of the announcement.



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