

## CFA® SAMPLE QUESTION - LEVEL I

### Portfolio Management

**Q:** An equity analyst working for a growth oriented mutual fund has a tendency to misvalue the stocks of popular companies that she has previously recommended and the fund already owns.

Her behavior is most likely consistent with which of the following biases?

#### CORRECT ANSWER:

#### **Ⓒ Confirmation bias**

Confirmation bias refers to the bias of looking for information that supports prior opinions and decisions, which leads to a tendency to misvalue the stocks of popular companies.



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