



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

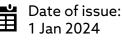
Confirmation bias refers to the bias of looking for information that supports prior opinions and decisions, which leads to a tendency to misvalue the stocks of popular companies.



CFA Society Hong Kong Candidate Services



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