



## **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**

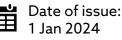
Confirmation bias refers to the bias of looking for information that supports prior opinions and decisions, which leads to a tendency to misvalue the stocks of popular companies.



CFA Society Hong Kong Candidate Services



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