



## **CFA® SAMPLE QUESTION – LEVEL I**

## **Quantitative Methods**

Q: In order to test if the mean IQ of employees in an organization is greater than 100, a sample of 30 employees is taken. The sample value of the computed z-statistic = 3.4. The appropriate decision at a 5% significance level is to:

## **CORRECT ANSWER:**

(a) reject the null hypotheses and conclude that the population mean is greater than 100.

## H0 : $\mu \le 100$ ; Ha : $\mu > 100$ . Reject the null since z = 3.4 > 1.65 (critical value).

Straight forward question, if you remember to use the Z-score table and find out the related critical value and set up the correct null (H0) and alternative (Ha) Hypothesis.



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