

CFA® SAMPLE QUESTION – LEVEL I

Quantitative Methods

Q: The joint probability of events A and B is 32 percent with the probability of event A being 60 percent and the probability of event B being 50 percent.

Based on this information, the conditional probability of event A given event B has occurred is closest to:

CORRECT ANSWER:

Ⓒ 64.0%.

Again a straight forward question, if you can remember the formula of "Conditional Probability"

The conditional probability of A given that B has occurred is equal to the joint probability of A and B divided by the probability of B.

In this case, $P(A|B) = P(AB)/P(B) = 32\%/50\% = 64.0\%$.



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