

## CFA® SAMPLE QUESTION – LEVEL I

### Economics

**Q:** Income elasticity is defined as the percentage change in:

#### CORRECT ANSWER:

**(a) percentage change in quantity demanded divided by the percentage change in income.**

Income elasticity is defined as the percentage change in quantity demanded divided by the percentage change in income.

Normal goods will have positive value for income elasticity and inferior goods will have negative income elasticity.



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