



## CFA® SAMPLE QUESTION – LEVEL I

### Economics

**Q:** When household incomes go up and the quantity of a product demanded goes down, the product is a(n):

#### CORRECT ANSWER:

**(b) Inferior good**

When household incomes increase and the quantity demanded of a product decreases, the product is an inferior good.

A good example of inferior good is bus travel.



CFA Society Hong Kong  
Candidate Services

