



## **CFA® SAMPLE QUESTION - LEVEL I** Financial Reporting and Analysis

Q: You are the CFO of a retail company. You are concerned about the long-term solvency of the company. Then you should have some analysis on the:

## **CORRECT ANSWER:**

**b** fixed charge coverage ratio

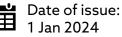
Fixed charge coverage ratio is a solvency ratio. Return on total capital is a measure of profitability. Defensive interval ratio is a liquidity measure.



CFA Society Hong Kong Candidate Services



Mr. Zap Cheng, CFA Candidate Services Committee



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