

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.



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