



## **CFA® SAMPLE QUESTION – LEVEL I** Corporate Finance

**Q:** An analyst has gathered the following information about two projects, each with a 12% required rate of return:

	Project A	Project B
Initial Cost	\$15,000	\$20,000
Life	5 Years	4 Years
Cash Inflows	\$5,000 per Year	\$7,500 per Year

If the projects are mutually exclusive, the company should:

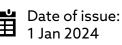
- a reject both projects.
- **b** accept Project A and reject Project B.
- c reject Project A and accept Project B.



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Mr. Zap Cheng, CFA
Candidate Services
Committee



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