

CFA® SAMPLE QUESTION - LEVEL I

Portfolio Management

Q: Which of the following statements regarding the Markowitz efficient frontier is least likely to be correct?

The optimal portfolio for:

- (a)** an investor is the portfolio that lies on the efficient frontier and provides her with the greatest level of utility.
- (b)** an investor is found at the point of tangency between the efficient frontier and an investor's highest utility curve.
- (c)** a more risk-averse investor will lie inside the efficient frontier but will lie outside the efficient frontier for a less risk-averse investor.



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