EASY   INTERMEDIATE   HARD

CFA® SAMPLE QUESTION – LEVEL I

Quantitative Methods

Q: A continuous random variable:

CORRECT ANSWER:

ⓒ **Can assume any value in a range.**

A continuous random variable may assume any value; there is an infinite (i.e., uncountable) number of possible values (e.g., the amount of rainfall in a year).
Choice "A" is incorrect. Parameters relate to the characteristics of a population.
Choice "B" is incorrect. A cumulative distribution function gives the probability that a random variable is less than or equal to particular value.

Continuous Random Variable Examples

Experiment	Random Variable	Possible Values
Weigh 100 People	Weight	45.1, 78, ...
Measure Part Life	Hours	900, 875.9, ...
Amount spent on food	$ amount	54.12, 42, ...
Measure Time Between Arrivals	Inter-Arrival Time	0, 1.3, 2.78, ...

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