EASY   INTERMEDIATE   HARD

CFA® SAMPLE QUESTION – LEVEL I

Quantitative Methods

Q: What is the most appropriate test statistic for constructing confidence intervals for the population mean when the population is normally distributed, but the variance is unknown.

CORRECT ANSWER:

Ⓒ **the t-statistic at $\alpha/2$ with n-1 degrees of freedom.**

Use the t-statistics at $\alpha/2$ and n-1 degrees of freedom when the population variance is unknown.

While the z-statistic is acceptable when the sample size is large, however sample size is not given here, and the t-statistic test is always appropriate under these conditions.

CFA Society Hong Kong Candidate Services

Mr. Zap Cheng, CFA Candidate Services Committee

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