

CHARTERED FINANCIAL ANALYST (CFA) LEVEL I – CYPRESS TOWNE LAKE PRACTICE TEST (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR
THE FULL VERSION STUDY GUIDE

<https://cfalvl1cypresstownelake.examzify.com>



Copyright © 2026 by Examzify - A Kaluba Technologies Inc. product.

ALL RIGHTS RESERVED.

No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.

Notice: Examzify makes every reasonable effort to obtain accurate, complete, and timely information about this product from reliable sources.

SAMPLE

Table of Contents

Copyright	1
Table of Contents	2
Introduction	3
How to Use This Guide	4
Questions	5
Answers	8
Explanations	10
Next Steps	15

SAMPLE

Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

SAMPLE

1. Does Chick-Fil-A have any allergens?

- A. Yes
- B. No

2. What does due diligence involve in investment analysis?

- A. The superficial research of market trends
- B. A thorough investigation and evaluation of an investment opportunity
- C. Negotiating terms before closing a deal
- D. Only assessing a company's past performance

3. Which of the following is NOT an item included in the uniform expectations?

- A. Non-slip shoes
- B. Jewelry on fingers
- C. Name tag
- D. Shirt tucked in

4. What does the term asset allocation mean?

- A. Investing exclusively in stocks
- B. The process of dividing investments across various categories
- C. A strategy for selling assets
- D. A method for calculating investment returns

5. What is an income statement?

- A. A report showing a company's income and expenses
- B. A financial statement detailing assets and liabilities
- C. A summary of cash flows over a specific period
- D. A projection of future earnings

6. What does "systematic risk" signify?

- A. The risk unique to a particular company or industry
- B. The risk associated with individual securities
- C. Inherent risk in the entire market that cannot be diversified
- D. Fluctuations caused by market manipulation

- 7. What is the difference between systematic risk and unsystematic risk?**
- A. Systematic risk can be diversified away; unsystematic risk cannot.
 - B. Systematic risk affects entire markets; unsystematic risk is specific to an individual asset.
 - C. Systematic risk is always positive; unsystematic risk can be negative.
 - D. Systematic risk can be measured easily; unsystematic risk is more abstract.
- 8. What is the first step when preparing tea?**
- A. Fill the cup with ice
 - B. Mark the lid
 - C. Fill with tea
 - D. Put the lid on the cup
- 9. What does it mean to create a culture where the guest comes first?**
- A. Focusing solely on profitability
 - B. Making guest satisfaction the priority
 - C. Promoting employee engagement
 - D. Reducing wait times for service
- 10. Which of the following is an acceptable flavor pump for a shake?**
- A. Vanilla
 - B. Oreo
 - C. Strawberry
 - D. All of the above

Answers

SAMPLE

1. B
2. B
3. B
4. B
5. A
6. C
7. B
8. A
9. B
10. D

SAMPLE

Explanations

SAMPLE

1. Does Chick-Fil-A have any allergens?

A. Yes

B. No

Chick-Fil-A does have allergens present in their menu items. The correct answer is "Yes," because many food establishments, including Chick-Fil-A, offer products that contain common allergens such as wheat, dairy, peanuts, tree nuts, eggs, fish, soy, and shellfish. It is important for consumers to be aware of these allergens, particularly those with food sensitivities or allergies, so they can make informed choices about what to eat. Among the reasons why listing the presence of allergens is crucial for food establishments is to protect the health and safety of customers. Regulations usually require restaurants to disclose allergen information, which helps ensure that individuals can avoid potential allergic reactions. By providing clear information about allergens, Chick-Fil-A can support customer well-being and maintain trust with their patrons. It's essential to approach restaurant dining with awareness of allergens, and customers should always consult ingredient lists or ask staff for specific allergen information when visiting food outlets.

2. What does due diligence involve in investment analysis?

A. The superficial research of market trends

B. A thorough investigation and evaluation of an investment opportunity

C. Negotiating terms before closing a deal

D. Only assessing a company's past performance

Due diligence in investment analysis entails a thorough investigation and evaluation of an investment opportunity. This process is crucial for investors as it helps them assess potential risks and rewards before committing funds. Proper due diligence includes analyzing financial statements, understanding market conditions, evaluating the management team, and ensuring compliance with regulations. By conducting a comprehensive review, investors can make informed decisions and mitigate the likelihood of unforeseen issues arising post-investment. Other options, such as conducting superficial research or focusing solely on a company's past performance, do not provide a complete and accurate assessment necessary for sound investing decisions. Similarly, negotiating terms is important but it follows the due diligence phase, which is focused specifically on evaluating the investment opportunity itself.

3. Which of the following is NOT an item included in the uniform expectations?

A. Non-slip shoes

B. Jewelry on fingers

C. Name tag

D. Shirt tucked in

Uniform expectations in a workplace typically refer to specific dress codes or guidelines that employees are expected to follow to maintain a professional appearance. The correct choice highlights an item that does not usually fall under the standard definitions of uniform expectations. Non-slip shoes, a name tag, and a shirt tucked in are all elements that contribute to a cohesive and professional appearance in many work environments. Non-slip shoes ensure employee safety, especially in settings where there is a risk of slipping, while name tags help in identifying employees and fostering a welcoming atmosphere. Additionally, having shirts tucked in often conveys a neat and polished look, which is crucial for maintaining a professional image. On the other hand, jewelry on fingers is often viewed as a personal choice rather than a mandated aspect of a uniform. While some workplaces may have specific policies regarding visible jewelry (for reasons related to safety or branding), it is not universally considered a standard requirement within the framework of uniform expectations. This distinction emphasizes that not all personal adornments are governed by workplace dress codes.

4. What does the term asset allocation mean?

- A. Investing exclusively in stocks
- B. The process of dividing investments across various categories**
- C. A strategy for selling assets
- D. A method for calculating investment returns

Asset allocation refers to the strategy of distributing investments among various asset categories, such as stocks, bonds, real estate, and cash equivalents. This process is essential as it allows investors to balance risk and return based on their individual financial goals, time horizon, and risk tolerance. By diversifying their portfolio across different asset classes, investors can potentially reduce risk, as the performance of different categories often varies under different market conditions. This means that if one asset class performs poorly, others may perform well, which helps to stabilize overall portfolio returns. The other options focus on more specific aspects of investing that do not encompass the broader strategy of distributing investments. Investing exclusively in stocks limits the breadth of a portfolio, a selling strategy does not address allocation, and calculating investment returns pertains to performance measurement rather than the distribution of investments across asset classes. Overall, the concept of asset allocation is a foundational principle of investment management aimed at optimizing risk and return.

5. What is an income statement?

- A. A report showing a company's income and expenses**
- B. A financial statement detailing assets and liabilities
- C. A summary of cash flows over a specific period
- D. A projection of future earnings

An income statement is indeed a report that provides a summary of a company's income and expenses over a specific period, typically a quarter or a year. It reflects the company's financial performance by detailing how much revenue was generated and what expenses were incurred to produce that revenue. The end result shows net income or loss for the period, which is crucial for evaluating the profitability and operational efficiency of a business. This statement is fundamental in financial analysis and is one of the key components of a company's financial statements, alongside the balance sheet and the cash flow statement. Understanding the income statement allows investors and analysts to assess a firm's past performance, make predictions about its future financial health, and help in making informed investment decisions.

6. What does "systematic risk" signify?

- A. The risk unique to a particular company or industry
- B. The risk associated with individual securities
- C. Inherent risk in the entire market that cannot be diversified**
- D. Fluctuations caused by market manipulation

Systematic risk refers to the inherent risk associated with the entire market or a particular segment of the market. It affects a large number of assets and cannot be eliminated through diversification, as it stems from external economic factors that influence the market as a whole. Examples of systematic risk include changes in interest rates, inflation, recessions, and geopolitical events. Investors recognize that this type of risk is beyond their control, and thus, they often seek to manage it through asset allocation and hedging strategies rather than attempting to diversify it away. Understanding systematic risk is crucial for evaluating investment choices because it helps investors to gauge the potential volatility and risk associated with market movements. In contrast, the other options pertain to different types of risk, such as unsystematic risk, which is specific to individual securities or companies and can potentially be mitigated through diversification. Thus, systematic risk is crucial for understanding overall market behavior and investment performance.

7. What is the difference between systematic risk and unsystematic risk?

- A. Systematic risk can be diversified away; unsystematic risk cannot.
- B. Systematic risk affects entire markets; unsystematic risk is specific to an individual asset.**
- C. Systematic risk is always positive; unsystematic risk can be negative.
- D. Systematic risk can be measured easily; unsystematic risk is more abstract.

The distinction between systematic risk and unsystematic risk is fundamental in finance, particularly in the context of investing and portfolio management. Systematic risk refers to the type of risk that is inherent to the entire market or a particular segment of the market. This includes factors such as economic changes, political events, or natural disasters that can impact all assets to some degree. Because systematic risk affects the overall market, it cannot be eliminated through diversification; it is unavoidable and affects all investments in a similar manner. On the other hand, unsystematic risk is specific to a particular company or industry. This type of risk arises from factors that are unique to that entity, such as management decisions, product recalls, or competitive positioning. Because unsystematic risk is not correlated with market movements, it can often be mitigated or eliminated through diversification. Investors can reduce their exposure to unsystematic risk by spreading their investments across various assets or sectors. Therefore, the correct understanding is that systematic risk affects the entire market, while unsystematic risk is isolated to individual assets, making option B the accurate representation of the differences between the two types of risk.

8. What is the first step when preparing tea?

- A. Fill the cup with ice**
- B. Mark the lid
- C. Fill with tea
- D. Put the lid on the cup

When preparing tea, the first step is to fill a vessel with the appropriate water—typically a kettle or pot—rather than directly filling a cup. The correct initial action is crucial in the tea-making process because boiling water is essential for properly brewing the tea. The specific choice related to filling the cup with ice is not relevant to the tea preparation process, particularly if you are looking to brew hot tea. Instead, the focus should be on allowing sufficient water to come to the right temperature, which would subsequently be poured over the tea leaves or bags. This ensures that the flavor compounds in the tea are effectively extracted during the steeping process. Understanding the basic sequence of tea preparation, including the importance of starting with water, helps in crafting the perfect cup of tea.

9. What does it mean to create a culture where the guest comes first?

- A. Focusing solely on profitability
- B. Making guest satisfaction the priority**
- C. Promoting employee engagement
- D. Reducing wait times for service

Creating a culture where the guest comes first fundamentally revolves around prioritizing guest satisfaction. This approach emphasizes understanding and meeting the needs of guests, ensuring their experiences are positive, enjoyable, and memorable. Establishing such a culture involves designing services, interactions, and the overall environment in a way that acknowledges guest preferences and fosters loyalty. Prioritizing guest satisfaction often leads to increased repeat business and positive word-of-mouth referrals, which can indirectly enhance profitability. However, the core of the concept lies in the genuine commitment to the guest experience. By focusing on guest satisfaction, organizations can build stronger relationships, ensuring that every aspect of service delivery aligns with the goal of exceeding guest expectations. While promoting employee engagement and reducing wait times can contribute to a better guest experience, these actions should be seen as means to achieve the primary goal of guest satisfaction rather than standalone objectives. Ultimately, creating a guest-first culture is about embedding this principle into the organization's values, practices, and interactions at every level.

10. Which of the following is an acceptable flavor pump for a shake?

- A. Vanilla
- B. Oreo
- C. Strawberry
- D. All of the above**

In the context of flavor pumps for shakes, the correct response reflects that all options provided—Vanilla, Oreo, and Strawberry—are indeed popular and commonly accepted flavors. Flavor pumps are used to enhance the taste of shakes by allowing for the addition of various flavors, and these three options are well-known choices that can complement or enhance the base shake. Vanilla is a classic flavor that can provide a creamy and smooth backdrop to shakes. Oreo flavoring typically incorporates the beloved cookie's chocolate and cream profile, adding a fun twist. Strawberry offers a fruity and refreshing element that can elevate the sweetness and taste of shakes. Each of these flavors can stand alone or be combined, making them universally accepted and versatile options in shake preparation. Therefore, indicating that all of them are acceptable accurately captures the variety and flexibility offers in shake flavors.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://cfalvl1cypresstownelake.examzify.com>

We wish you the very best on your exam journey. You've got this!

SAMPLE