

CFA Candidate Body of Knowledge (CBOK)

Body of Knowledge	Reading Assignments
I. Ethical and Professional Standards	
A. Professional Standards of Practice B. Ethical Practices	1. Code of Ethics and Standards of Professional Conduct 2. “Guidance” for Standards I–VII 3. Introduction to the Global Investment Performance Standards (GIPS®) 4. Global Investment Performance Standards (GIPS®)
II. Quantitative Methods	
A. Time Value of Money B. Probability C. Probability Distributions and Descriptive Statistics D. Sampling and Estimation E. Hypothesis Testing F. Correlation Analysis and Regression G. Time Series Analysis H. Simulation Analysis I. Technical Analysis	5. The Time Value of Money 6. Discounted Cash Flow Applications 7. Statistical Concepts and Market Returns 8. Probability Concepts 9. Common Probability Distributions 10. Sampling and Estimation 11. Hypothesis Testing 12. Technical Analysis
III. Economics	
A. Market Forces of Supply and Demand B. The Firm and Industry Organization C. Measuring National Income and Growth D. Business Cycles E. The Monetary System F. Inflation G. International Trade and Capital Flows H. Currency Exchange Rates I. Monetary and Fiscal Policy J. Economic Growth and Development K. Effects of Government Regulation L. Impact of Economic Factors on Investment Markets	13. Elasticity 14. Efficiency and Equity 15. Markets in Action 16. Organizing Production 17. Output and Costs 18. Perfect Competition 19. Monopoly 20. Monopolistic Competition and Oligopoly 21. Markets for Factors of Production 22. Monitoring Jobs and the Price Level 23. Aggregate Supply and Aggregate Demand 24. Money, the Price Level, and Inflation 25. U.S. Inflation, Unemployment, and Business Cycles 26. Fiscal Policy 27. Monetary Policy 28. An Overview of Central Banks
IV. Financial Reporting and Analysis	
A. Financial Reporting System (IFRS and GAAP) B. Principal Financial Statements C. Financial Reporting Quality D. Analysis of Inventories E. Analysis of Long-Lived Assets F. Analysis of Taxes G. Analysis of Debt	29. Financial Statement Analysis: An Introduction 30. Financial Reporting Mechanics 31. Financial Reporting Standards 32. Understanding the Income Statement 33. Understanding the Balance Sheet 34. Understanding the Cash Flow Statement 35. Inventories 36. Long-Lived Assets

H. Analysis of Off-Balance-Sheet Assets and Liabilities I. Analysis of Pensions, Stock Compensation, and Other Employee Benefits J. Analysis of Inter-Corporate Investments K. Analysis of Business Combinations L. Analysis of Global Operations M. Ratio and Financial Analysis	37. Income Taxes 38. Long-Term Liabilities and Leases 39. Financial Analysis Techniques 40. Financial Reporting Quality: Red Flags and Accounting Warning Signs 41. Accounting Shenanigans on the Cash Flow Statement 42. Financial Statement Analysis: Applications 43. International Standards Convergence
V. Corporate Finance	
A. Corporate Governance B. Dividend Policy C. Capital Investment Decisions D. Business and Financial Risk E. Long-Term Financial Policy F. Short-Term Financial Policy G. Mergers and Acquisitions and Corporate Restructuring	44. Capital Budgeting 45. Cost of Capital 46. Working Capital Management 47. Financial Statement Analysis 48. The Corporate Governance of Listed Companies: A Manual for Investors
VI. Portfolio Management and Wealth Planning	
A. Portfolio Concepts B. Management of Individual/Family Investor Portfolios C. Management of Institutional Investor Portfolios D. Pension Plans and Employee Benefit Funds E. Investment Manager Selection F. Other Institutional Investors G. Mutual Funds, Pooled Funds, and ETFs H. Economic Analysis and Setting Capital Market Expectations I. Tax Efficiency J. Asset Allocation (including Currency Overlay) K. Portfolio Construction and Revision L. Equity Portfolio Management Strategies M. Fixed-Income Portfolio Management Strategies N. Alternative Investments Management Strategies O. Risk Management P. Execution of Portfolio Decisions (Trading) Q. Performance Evaluation R. Presentation of Performance Results	49. The Asset Allocation Decision 50. An Introduction to Portfolio Management 51. An Introduction to Asset Pricing Models
VII. Equity Investments	
A. Types of Equity Securities and their Characteristics B. Equity Markets: Characteristics, Institutions, and Benchmarks	52. Organization and Functioning of Securities Markets 53. Security-Market Indexes 54. Efficient Capital Markets 55. Market Efficiency and Anomalies

<p>C. Fundamental Analysis (Sector, Industry, Company) and the Valuation of Individual Equity Securities</p> <p>D. Equity Market Valuation and Return Analysis</p> <p>E. Special Applications of Fundamental Analysis (Residual Earnings)</p> <p>F. Equity of Hybrid Investment Vehicles</p>	<p>56. An Introduction to Security Valuation</p> <p>57. Industry Analysis</p> <p>58. Company Analysis and Stock Valuation</p> <p>59. Introduction to Price Multiples</p>
<p>VIII. Fixed Income</p>	
<p>A. Types of Fixed-Income Securities and their Characteristics</p> <p>B. Fixed-Income Markets: Characteristics, Institutions, and Benchmarks</p> <p>C. Fixed-Income Valuation (Sector, Industry, Company) and Return Analysis</p> <p>D. Term Structure Determination and Yield Spreads</p> <p>E. Analysis of Interest Rate Risk</p> <p>F. Analysis of Credit Risk</p> <p>G. Valuing Bonds with Embedded Options</p> <p>H. Structured Products</p>	<p>60. Features of Debt Securities</p> <p>61. Risks Associated with Investing in Bonds</p> <p>62. Overview of Bond Sectors and Instruments</p> <p>63. Understanding Yield Spreads</p> <p>64. Introduction to the Valuation of Debt Securities</p> <p>65. Yield Measures, Spot Rates, and Forward Rates</p> <p>66. Introduction to the Measurement of Interest Rate Risk</p>
<p>IX. Derivatives</p>	
<p>A. Types of Derivative Instruments and their Characteristics</p> <p>B. Forward Markets and Instruments</p> <p>C. Futures Markets and Instruments</p> <p>D. Options Markets and Instruments</p> <p>E. Swaps Markets and Instruments</p> <p>F. Credit Derivatives Markets and Instruments</p>	<p>67. Derivative Markets and Instruments</p> <p>68. Forward Markets and Contracts</p> <p>69. Futures Markets and Contracts</p> <p>70. Option Markets and Contracts</p> <p>71. Swap Markets and Contracts</p> <p>72. Risk Management Applications of Option Strategies</p>
<p>X. Alternative Investments</p>	
<p>A. Types of Alternative Investments and their Characteristics</p> <p>B. Real Estate</p> <p>C. Private Equity/Venture Capital</p> <p>D. Hedge Funds</p> <p>E. Closely-held Companies and Inactively Traded Securities</p> <p>F. Distressed Securities/Bankruptcies</p> <p>G. Commodities</p> <p>H. Tangible Assets with Low Liquidity</p>	<p>73. Alternative Investments</p> <p>74. Investing in Commodities</p>