

# CFA Preparation Classes 2014

MSc. in Banking and Finance and Master in Wealth Management

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In this course, we will review what the *CFA Program* consist of and prepare for selected topics of the level I exam. The *CFA Program*, a globally recognized, graduate level study program provides a strong foundation of real-world investment analysis and portfolio management skills along with the practical knowledge needed in today's investment industry. Each year, hundreds of thousands of candidates enroll in the CFA Program and sit for the exams all over the world. Completing the CFA Program confirms a mastery of the rigorous CFA curriculum, the key requirements for earning the CFA charter. The program is divided into three levels. In this course we will study for level I. To pass the level I exam you need to become familiar with the corresponding CFA curriculum, which, is comprised of 63 readings, divided over 6 volumes and more than 3,000 pages.

This course will be challenging and very valuable for students who plan to register for the CFA Level 1 exam in June 2014 or December 2014. It is not an “easy credit” course for students who have no aspiration to become a CFA charterholder. The course, if successfully completed, provides for 2 ECTS for the students enrolled in the MSc. in Banking and Finance and 0 ECTS for the students enrolled in the Master in Wealth Management.

For level I, the official study sessions, as per the CFA Institute, and corresponding topics are:

- 1 Ethical and Professional Standards (\*)
- 2 Quantitative Methods: Basic Concepts
- 3 Quantitative Methods: Application
- 4 Economics: Microeconomic Analysis
- 5 Economics: Macroeconomic Analysis
- 6 Economics: Economics in a Global Context
- 7 Financial Reporting and Analysis: An Introduction (\*)
- 8 Financial Reporting and Analysis: Income Statements, Bal. Sheets and Cash Flow Statements (\*)
- 9 Financial Reporting and Analysis: Inventories, LL Assets, Taxes and Non-current Liabilities
- 10 Financial Reporting and Analysis: Evaluating Financial Reporting Quality and Other Applications
- 11 Corporate Finance
- 12 Portfolio Management
- 13 Equity: Markets Organization, Market Indices and Market Efficiency (S)
- 14 Equity Analysis and Valuation (\*)
- 15 Fixed Income: Basic Concepts (S/\*)
- 16 Fixed Income: Analysis of Risk (\*)
- 17 Derivatives
- 18 Alternative Investments (\*)

(\*) selected to be covered in this course. (S) suggested readings.

## TEACHING METHOD

This course requires significant self-study and preparation. It is mandatory and expected from each student to read as instructed the assigned material before each of the six classes.

The lecturer will be René Wells. He is a CFA charterholder since 1993, was an exam-grader for five years for the CFA Institute, and has taught preparation courses. He holds an MBA from Concordia University, and has been a lecturer at the Rotman Business School of the University of Toronto.

We will have only six review classes and significant pre-class reading is required. Be ready to skim-read hundreds of pages. Each class will be divided into (i) a review of the material assigned, (ii) a timed quiz (open-book, part of your grade), and (iii) discussion of the answers to the quiz.

## EVALUATION

The credit for the course will be based on class participation (20%), quizzes (30%), and a final exam (50%). The final exam will be a 2 hour Level I 'mock' exam covering the selected sessions.

## CLASS SCHEDULE

Class 0 – January 29, 2014 (18:15 to 21:15) – might be shorter

- Introduction (no advanced readings required)

Class 1 – February 6, 2014 (18:15 to 21:15)

- Session 1 Ethical and Professional Standards (readings 1, 2, 3, and 4; ~ 200 pages).

Class 2 –February 27, 2014 (18:15 to 21:15)

- Session 7 Financial Reporting and Analysis :An Introduction (readings 22, 23, 24; ~ 160 pages)
- Session 8 Financial Reporting and Analysis: Income Statements (reading 25; ~ 50 pages)

Class 3 – March 10, 2014 (18:15 to 21:15) – might be longer

- Session 8 Financial Reporting and Analysis: Balance Sheets, Cash Flow Statements and Financial Analysis Techniques (readings 26, 27, and 28; ~ 120 pages)

Class 4 – March 31, 2014 (18:15 to 21:15)

- Session 14 Equity Analysis and Valuation (readings 49, 50, and 51; ~ 130 pages)
- Suggested readings: Session 13 Equity (46, 47, and 48; ~ 140 pages)

Class 5 – April 30, 2014 (18:15 to 21:15) – might be longer

- Session 16 Fixed Income: Analysis and Valuation (readings 54 and 55, ~ 140 pages)
- Suggested readings: Session 15 Fixed Income: Basic Concepts (52 and 53 ~ 140 pages)

Class 6 – May 6, 2014 (18:15 to 21:15)

- Fixed Income: Analysis and Valuation: Fundamentals of Credit Analysis (reading 56: ~ 60 pages)
- Session 18 Alternative Investments (readings 63; ~ 95 pages)

Examination (closed-book) – May 14, 2014 (18:15 to 20:15)