

Chartered Financial Analyst (CFA) Frequent Asked Questions

1. How old is CFA Certification?

The Journey of CFA starts with establishment of, the Financial Analysts Federation (FAF) in 1947. Hence the certification is 67 years old.

2. What does CFA stands for?

CFA is an acronym for Chartered Financial Analyst.

3. Who offers CFA?

The Chartered Financial Analyst (CFA) Program is a professional credential offered internationally by the American-based CFA Institute (formerly the Association for Investment Management and Research, or AIMR)

4. Is CFA an academic degree like MBA or B.E?

The CFA Charter is a professional credential and is not an academic degree. The concept behind it, as well as the method by which candidates are being examined, is very different from other postgraduate qualifications, especially the academic Master's and PhD Degrees typically offered by Universities.

5. How difficult is CFA exam?

It is widely considered the most difficult test on Wall Street with fewer than 20 percent of successful candidates passing all three exams on their first try. The level of the content of the CFA Program has been recognized by the United Kingdom NARIC as being comparable in level to a QCF Level 7 (master's degree).

6. How many CFA's are there globally?

As of March 2017:

- Number of members: >142,000
- Number of CFA charterholders: ~95% of total members
- Countries with members: 159
- Countries with societies: 73

In the June 2016 exam, the countries with the most number of CFA exam takers were:

- United States (31,501 candidates)
- China (26,758)
- India (12,117)

The total number of exam takers was 137,790.

7. If I do CFA from India will it be different from CFA from USA or CFA from China?

CFA is a truly global certification unlike some other professional certifications like CFP and CWM. CFA tests are administered globally on the same day, so a candidate whether he is from US, India, Europe or China will be appearing for the same test and there will be no difference in the degree because of location.

8. Does CFA have regulatory recognition?

Regulatory bodies in 19 countries recognize the CFA charter as a proxy for meeting certain licensing requirements.

9. How is becoming a CFA Charter holder compared with MBA ?

1. For becoming a CFA Charter holder one has to clear three rigorous exams, each exam requires on an average 300 hrs of preparation. It is regarded by employers and regulatory body as a Grade A certification with its rigour being compared to that of an Ivy league MBA (Top 10 B-schools globally)
2. It is one of the most ideal add-on certification for an MBA Graduates

11. What is the target audience for CFA?

Target audience is quite varied and majorly consists of

1. People working in BFSI.
2. People working in Investment/stock research firms.
3. People working in KPO
4. Students from premium B-schools
5. People working in I.T
6. Engineers
7. Chartered Accountants /CSs/ICWAs/CFPs and others have professional qualifications

12. How many exams do I have to clear to become a CFA?

For becoming a CFA chartered holder one has to clear three CFA exams (Level 1, Level 2 and Level 3)

13. What is the duration of CFA exams?

Duration of CFA exam is 6 hours. It is broken into 3 hours of morning session then a break and then 3 hours of afternoon session.

14. When are CFA exams conducted?

CFA Level 1 is conducted in month of June and December every year.

CFA Level 2 and Level 3 are conducted in the month of June every year. The exam dates for all the three levels happen to be 1st Saturday of the respective month.

15. How many years does it take to clear all three levels?

Minimum time required is two and half years and on an average a candidate takes four years to clear all three exams.

16. How many hours of self-study does it take to clear each level?

Preparation times depends on the candidates' background but on an average a candidate requires 250-300 hrs of study for each level

17. In which cities are CFA exam conducted in India?

CFA exams in India are conducted in following cities:

1. Bangalore
2. Kolkata
3. Mumbai
4. New Delhi
5. Ahmedabad
6. Chennai
7. Pune

18. What are the topics that are covered in CFA?

Topic Area	Level I	Level II	Level III
Ethical and Professional Standards	15	10-15	10-15
Quantitative Methods	12	5-10	0
Economics	10	5-10	5-15
Financial Reporting and Analysis	20	15-20	0
Corporate Finance	7	5-15	0
Equity Investments	10	15-25	5-15
Fixed Income	10	10-20	10-20
Derivatives	5	5-15	5-15
Alternative Investments	4	5-10	5-15
Portfolio Management and Wealth Planning	7	5-10	40-55
Total	100	100	100

19. Are all CFA exams objective?

- The Level I exam consists of multiple choice questions

- The Level II exam is composed of item set questions
- The Level III exam consists of item sets and essay type questions

20. What marks do I have to score to pass CFA Level exams?

CFA does not have a cut-off and candidate that clears CFA, clears on basis of relative scoring that he gets among all the candidates.

21. What is the passing percentage of CFA Exam takers?

June 2017 exam pass rates

- Level I: 43%
- Level II: 47%
- Level III: 54%

December 2016 exam pass rate

- Level I: 43%

June 2016 exam pass rates

- Level I: 43%
- Level II: 46%
- Level III: 54%

22. What are the key points that a candidate must do to be successful?

Following are the key areas the candidate should work on:

1. Start early
2. Cover 100 % of CFA curriculum.
3. Attend all lectures and pre lecture sessions
4. Take up all mock tests and solving all sample questions
5. Self-study
6. Scoring well on key areas namely ethics and FSA

23. Are books provided by CFA-Institute?

Yes CFA institute provides books, they are provided in either in E-Book format or physical format.

24. Is there any short-cut/professional pathway/ challenge status for CFA?

No there is no challenge status or professional path way for CFA , everyone has to clear all three levels.

25. I am a CA/CS/ICWA/FRM/CFP/PHD will I get any exemptions?

No there are no exemptions under CFA for any professional certifications.

27. I want to pursue further education once I complete CFA , can I do it?

Yes, you may pursue further education after completing CFA.

More than 125 distinguished colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own courses, including the University of Oxford's Saïd Business School; New York University; INSEAD; Peking University and Nanyang Technological University.

Also various other courses like Actuaries, Certified quantitative finance certifications have given exemptions and benefits to CFA charter holders.

28. What are the CFA program requirements?

To qualify for the award of the CFA charter, the CFA Institute has these requirements:

1. Pass the sequence of three exams, referred to as CFA Level I, CFA Level II, and CFA Level III. These are administered once a year, during the first weekend in June(except CFA level 1 which is conducted twice). A candidate can take only one exam per year. You can only take the next level exam after passing the previous level exam.
 2. Have a bachelor's (or equivalent) degree, or be in the final year of your bachelor's degree program at the time of registration, or have 4 years of professional work experience, or have a combination of professional work and college experience that totals at least four years. Part-time positions do not qualify, and the 4 year total must be accrued prior to enrolment.
 3. Fulfil CFA Institute membership requirements which include membership in CFA Institute as well as a CFA Institute Member Society Chapter
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4. After becoming a charter holder, the candidate must comply with the CFA Institute's policies and other requirements.
5. Have a valid international travel passport (required for enrollment and exam registration)

29. What is a Learning Outcome Statement (LOS)?

Starting from a general body of knowledge, CFA Institute assigns a set of readings from textbooks and journal articles for different subject areas: economics, ethics, equity, corporate finance, accounting/financial statement analysis, fixed income securities, markets, portfolio management, and quantitative methods. Each reading has a set of learning outcomes. CFA Institute constructs these learning outcome statements to focus the candidate's study efforts on particular topics within a particular reading.

30. Will I be allowed to use scratch paper during the exam?

No. Also, exam admission tickets must not be used as scratch paper. However, you are permitted to do scratch work in the exam book on question pages or pages marked "This Page Intentionally Left Blank." View the [Answer Sheet/Exam Book Policy](#)

31. I received at least 50% on almost all topics on my results score matrix, but I still did not pass. How can that happen?

Candidates should not attempt to interpret an overall passing or failing score from the results matrix information. The minimum passing score for the exam is determined by many factors, and is not a predetermined or specific percentage of the points either for individual topic areas or for the entire exam. Specifically, candidates should not necessarily interpret scores between 50% and 70% as passing

33. Do I have to pass each of the individual topic areas in order to pass an exam level?

No. As long as you achieve a total score above the minimum passing score (MPS) set by the CFA Institute Board of Governors, you would pass the exam regardless of your performance on any individual topic. However, we advise against any "test wise" strategy that recommends ignoring a topic in your study. Offsetting a zero score in a topic could be difficult. Most important, an objective of the CFA Program is to develop candidate knowledge and skills to a generalist level in all covered topics.

Also be sure that you have clearly stated your intended answers. Candidates who change an answer should cross out any material they do not intend as part of their

answer. Graders must consider all material you submit, and if there is confusion or contradictory information, you will not receive credit.

34. How do I register for the CFA exam?

Registration for the CFA program requires that you fill out an application form. You can register online at <https://www.cfainstitute.org/cfaprogram/process/Pages/index.aspx> or obtain the registration form and send it in. This form can be requested from the CFA Institute and is also available at <http://www.cfainstitute.org/about/forms/Pages/index.aspx>