

2008 Level I CFA Program Curriculum

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This list of source readings is for reference and planning purposes only. Candidates and preparatory providers should not rely on original source materials for CFA exam preparation. The CFA Program custom curriculum, specifically designed for candidates, is adapted from the original material and includes additional content, practice problems, and learning resources.

Study Session 1**Ethical and Professional Standards**

1. “Code of Ethics and Standards of Professional Conduct” *Standards of Practice Handbook*, 9th edition (CFA Institute, 2005)
2. “Guidance” for Standards I – VII, *Standards of Practice Handbook*, 9th edition (CFA Institute, 2005)
3. Introduction to the Global Investment Performance Standards (GIPS)
4. Global Investment Performance Standards (GIPS) (CFA Institute, 2005)
 - I. Introduction
 - II. Provisions of the Global Investment Performance Standards

Study Session 2**Investment Tools****Quantitative Methods: Basic Concepts**

Quantitative Methods for Investment Analysis, 2nd edition, Richard A. DeFusco, Dennis W. McLeavey, Jerald E. Pinto, and David E. Runkle (CFA Institute, 2004)

5. “The Time Value of Money,” Ch. 1
6. “Discounted Cash Flow Applications,” Ch. 2
7. “Statistical Concepts and Market Returns,” Ch. 3
8. “Probability Concepts,” Ch. 4

Study Session 3**Investment Tools****Quantitative Methods: Application**

Quantitative Methods for Investment Analysis, 2nd edition, Richard A. DeFusco, Dennis W. McLeavey, Jerald E. Pinto, and David E. Runkle (CFA Institute, 2004)

9. “Common Probability Distributions,” Ch. 5
10. “Sampling and Estimation,” Ch. 6
11. “Hypothesis Testing,” Ch. 7
12. “Technical Analysis,” *Investment Analysis and Portfolio Management*, 8th ed., Frank Reilly and Keith Brown (South-Western, 2005)

Study Session 4**Investment Tools****Economics: Microeconomic Analysis**

Economics, 7th edition, Michael Parkin (Pearson Addison-Wesley, South-Western, 2005)

13. “Elasticity,” Ch. 4
14. “Efficiency and Equity,” Ch. 5
15. “Markets in Action,” Ch. 6
16. “Organizing Production,” Ch. 9
17. “Output and Costs,” Ch. 10

Study Session 5**Investment Tools****Economics: Market Structure and Macroeconomic Analysis**

Economics, 7th edition, Michael Parkin (Pearson Addison-Wesley, South-Western, 2005)

18. “Perfect Competition,” Ch. 11
19. “Monopoly,” Ch. 12
20. “Monopolistic Competition and Oligopoly,” Ch. 13
21. “Demand and Supply in Factor Markets,” Ch. 17
22. “Monitoring Cycles, Jobs, and the Price Level,” Ch. 22

23. “Aggregate Supply and Aggregate Demand,” Ch. 23

Study Session 6

Investment Tools

Economics: Monetary and Fiscal Economics

Economics, 7th edition, Michael Parkin (Pearson Addison-Wesley, South-Western, 2005)

24. “Money, Banks, and the Federal Reserve,” Ch. 26
25. “Money, Interest, Real GDP, and the Price Level,” Ch. 27
26. “Inflation,” Ch. 28
27. “Fiscal Policy,” Ch. 31
28. “Monetary Policy,” Ch. 32

Study Session 7

Investment Tools

Financial Statement Analysis: An Introduction

29. “Financial Statement Analysis: An Introduction,” Ch. 1, Thomas R. Robinson, Jan Hendrik van Greuning, R. Elaine Henry, and Michael A. Broihahn (CFA Institute, 2007)
30. “Financial Reporting Mechanics,” Ch. 2, Thomas R. Robinson, Hendrik van Greuning, Karen O’Connor Rubsam, R. Elaine Henry, and Michael A. Broihahn (CFA Institute, 2007)
31. “Financial Reporting Standards,” Ch. 3 Thomas R. Robinson, Hendrik van Greuning, Karen O’Connor Rubsam, R. Elaine Henry, and Michael A. Broihahn (CFA Institute, 2007)

Study Session 8

Investment Tools

Financial Statement Analysis: Income Statement, Balance Sheet, and Cash Flow Statement

32. “Understanding the Income Statement,” Ch. 4, Thomas R. Robinson, Jan Hendrik van Greuning, R. Elaine Henry, and Michael A. Broihahn (CFA Institute, 2007)
33. “Understanding the Balance Sheet,” Ch. 5, Thomas R. Robinson, Jan Hendrik van Greuning, R. Elaine Henry, and Michael A. Broihahn (CFA Institute, 2007)
34. “Understanding the Cash Flow Statement,” Ch. 6, Thomas R. Robinson, Jan Hendrik van Greuning, R. Elaine Henry, and Michael A. Broihahn (CFA Institute, 2007)

Study Session 9

Investment Tools

Financial Statement Analysis: Inventories, Long-Term Assets, Deferred Taxes, and On- and Off-Balance Sheet Debt

The Analysis and Use of Financial Statements, 3rd edition, Gerald I. White, Ashwinpaul C. Sondhi, and Dov Fried (Wiley, 2003)

35. “Analysis of Inventories,” Ch. 6
36. “Analysis of Long-Lived Assets: Part I—The Capitalization Decision,” Ch. 7
37. “Analysis of Long-Lived Assets: Part II—Analysis of Depreciation and Impairment,” Ch. 8
38. “Analysis of Income Taxes,” Ch. 9
39. “Analysis of Financing Liabilities,” Ch. 10
40. “Leases and Off-Balance-Sheet Debt,” Ch. 11

Study Session 10

Investment Tools

Financial Statement Analysis: Techniques, Applications, and International Standards Convergence

41. “Financial Analysis Techniques,” Ch. 7, Thomas R. Robinson, Jan Hendrik van Greuning, R. Elaine Henry, and Michael A. Broihahn (CFA Institute, 2007)

42. “Financial Statement Analysis: Applications,” Ch. 10, Thomas R. Robinson, Jan Hendrik van Greuning, R. Elaine Henry, and Michael A. Broihahn (CFA Institute, 2007)
43. “International Standards Convergence,” Ch. 8, Thomas R. Robinson, Jan Hendrik van Greuning, R. Elaine Henry, and Michael A. Broihahn (CFA Institute, 2007)

Study Session 11

Investment Tools

Corporate Finance

“*Corporate Finance for the CFA Program*” (CFA Institute, forthcoming)

44. “Capital Budgeting,” Ch. 2, John Stowe and Jacques R. Gagne
45. “Cost of Capital,” Ch. 3, Yves Courtois, Gene C. Lai, and Pamela P. Peterson
46. “Working Capital Management,” Ch. 6, Edgar A. Norton, Jr., Kenneth L. Parkinson, and Pamela P. Peterson
47. “Financial Statement Analysis,” Ch. 7, Pamela P. Peterson
48. “The Corporate Governance of Listed Companies: A Manual for Investors” (CFA Institute, 2005)

Study Session 12

Portfolio Management

Investment Analysis and Portfolio Management, 8th edition, Frank K. Reilly and Keith C. Brown (South-Western, 2006)

49. “The Asset Allocation Decision,” Ch. 2
50. “An Introduction to Portfolio Management,” Ch. 7
51. “An Introduction to Asset Pricing Models,” Ch. 8

Study Session 13

Asset Valuation

Equity Investments: Securities Markets

52. “Organization and Functioning of Securities Markets,” Ch. 4, *Investment Analysis and Portfolio Management*, 8th edition, Frank K. Reilly and Keith C. Brown (South-Western, 2006)
53. “Security-Market Indexes,” Ch. 5, *Investment Analysis and Portfolio Management*, 8th edition, Frank K. Reilly and Keith C. Brown (South-Western, 2006)
54. “Efficient Capital Markets,” Ch. 6, *Investment Analysis and Portfolio Management*, 8th edition, Frank K. Reilly and Keith C. Brown (South-Western, 2006)
55. “Market Efficiency and Anomalies,” Ch. 1 *Beyond The Random Walk: A Guide to Stock Market Anomalies and Low Risk Investing*, Vijay Singal (Oxford University Press, 2004)

Study Session 14

Asset Valuation

Equity Investments: Industry and Company Analysis

56. “An Introduction to Security Valuation,” Ch. 11, *Investment Analysis and Portfolio Management*, 8th edition, Frank K. Reilly and Keith C. Brown (South-Western, 2006)
57. “Industry Analysis,” Ch. 13, *Investment Analysis and Portfolio Management*, 8th edition, Frank K. Reilly and Keith C. Brown (South-Western, 2006)
58. “Equity: Concepts and Techniques,” Ch. 6, *International Investments*, 5th edition, Bruno Solnik and Dennis McLeavey (Addison Wesley, 2003).
59. “Company Analysis and Stock Valuation,” Ch. 14, *Investment Analysis and Portfolio Management*, 8th edition, Frank K. Reilly and Keith C. Brown (South-Western, 2006)
60. “An Introduction to Security Valuation,” Ch. 11, *Investment Analysis and Portfolio Management*, 8th edition, Frank K. Reilly and Keith C. Brown (South-Western, 2006)
61. “Introduction to Price Multiples,” John D. Stowe, Thomas R. Robinson, Jerald E. Pinto, and Dennis W. McLeavey (AIMR, 2003)

Study Session 15**Asset Valuation****Analysis of Fixed Income Investments –Basic Concepts**

Fixed Income Analysis for the Chartered Financial Analyst® Program, 2nd edition, Frank J. Fabozzi (Frank J. Fabozzi Associates, 2004)

62. “Features of Debt Securities,” Ch. 1
63. “Risks Associated with Investing in Bonds,” Ch. 2
64. “Overview of Bond Sectors and Instruments,” Ch. 3
65. “Understanding Yield Spreads,” Ch. 4
66. “Monetary Policy in an Environment of Global Financial Markets” European Central Bank, Press Division, Otmar Issing, *Capital Markets and Financial Integration in Europe*, 2002

Study Session 16**Asset Valuation****Analysis of Fixed Income Investments –Analysis and Valuation**

Fixed Income Analysis for the Chartered Financial Analyst® Program, 2nd edition, Frank J. Fabozzi (Frank J. Fabozzi Associates, 2004)

67. “Introduction to the Valuation of Debt Securities,” Ch. 5
68. “Yield Measures, Spot Rates, and Forward Rates,” Ch. 6
69. “Introduction to the Measurement of Interest Rate Risk,” Ch. 7

Study Session 17**Asset Valuation****Derivative Investments**

Analysis of Derivatives for the CFA® Program, Don Chance (AIMR, 2003)

70. “Derivative Markets and Instruments,” Ch. 1
71. “Forward Markets and Contracts,” Ch. 2
72. “Futures Markets and Contracts,” Ch. 3
73. “Option Markets and Contracts,” Ch. 4
74. “Swap Markets and Contracts,” Ch. 5
75. “Risk Management Applications of Option Strategies,” Ch. 7

Study Session 18**Asset Valuation****Alternative Investments**

76. “Alternative Investments,” Ch. 8, *International Investments*, 5th edition, Bruno Solnik and Dennis McLeavey (Addison Wesley, 2004)