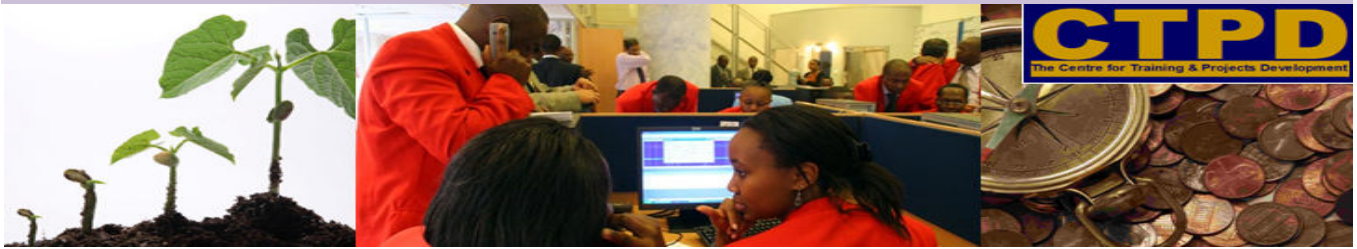


FINANCE AND INVESTMENTS COURSES



Finance is a branch of economics that deals with the management of funds, financial resources and other assets. In broader terms, finance is raising or investing money either as equity or debt. Finance is a wide-ranging term which includes funding, investments, trading and risk management (through various types of insurance policies).

Finance involves investment of funds in financial assets, such as stocks, bonds, mutual funds and private equities for income generation. Financial institutions like banks play a major role in funding these financial assets. Investment in financial assets is generally extensive so it must be protected by risk management and risk transference organizations like insurance companies.



Personal finance: Personal finance focuses on the extent of funds that are required by a person or a family. This further includes protection from mishap, transfer of assets through inheritance and the impact of tax policy on personal finance. Personal finance also includes financial planning and access to credit.

Corporate finance: This type of finance uses the principles of finance to help corporate firms raise funding and to help investors earn good returns from meeting those funding needs, usually with the help of corporate bankers or financiers. The objective of corporate finance is to maximize the valuation of financial assets, while striking a balance between the risks and profitability potential of the assets. Corporate finance takes into account the valuation of financial assets primarily for tax assessments and business analysis. Corporate houses focus on making either long-term capital investments or managing working capital for the short term. It also involves finding short- and long-term funding for corporations. While short-term funding can be obtained from banks' line of credit, funds for the long term can be acquired by issuing equity or bonds.



For investors who want updates and advice on any financial matters such as savings, investment, retirement planning, portfolio management and asset management, it is best to seek financial advice from a trustworthy financial advisor.

Investment refers to the concept of deferred consumption, which involves purchasing an asset, giving a loan or keeping funds in a bank account with the aim of generating future returns. Various investment options are available, offering differing risk-reward tradeoffs. An understanding of the core concepts and a thorough analysis of the options can help an investor create a portfolio that maximizes returns while minimizing risk exposure.

The various types of investments are:

- Cash investments: These include savings bank accounts, certificates of deposit (CDs) and treasury bills. These investments pay a low rate of interest and are risky options in periods of inflation.
- Debt securities: This form of investment provides returns in the form of fixed periodic payments and possible capital appreciation at maturity. It is a safer and more 'risk-free' investment tool than equities. However, the returns are also generally lower than other securities.



- Stocks: Buying stocks (also called equities) makes you a part-owner of the business and entitles you to a share of the profits generated by the company. Stocks are more volatile and riskier than bonds.
- Mutual funds: This is a collection of stocks and bonds and involves paying a professional manager to select specific securities for you. The prime advantage of this investment is that you do not have to bother with tracking the investment. There may be bond, stock- or index-based mutual funds.
- Derivatives: These are financial contracts the values of which are derived from the value of the underlying assets, such as equities, commodities and bonds, on which they are based.

Derivatives can be in the form of futures, options and swaps. Derivatives are used to minimize the risk of loss resulting from fluctuations in the value of the underlying assets (hedging).

- Commodities: The items that are traded on the commodities market are agricultural and industrial commodities. These items need to be standardized and must be in a basic, raw and unprocessed state. The trading of commodities is associated with high risk and high reward. Trading in commodity futures requires specialized knowledge and in-depth analysis.
- Real estate: This investment involves a long-term commitment of funds and gains that are generated through rental or lease income as well as capital appreciation. This includes investments into residential or commercial properties.

4.5.1

The Chartered Financial Analysis – CFA

www.cfainstitute.org / www.investopedia.com/professionals/cfa



Chartered Financial Analyst (CFA) is an international professional qualification/designation for finance and investment professionals, particularly in the fields of investment management, investment banking and financial analysis of stocks, bonds and their derivative assets. It is conferred by the CFA Institute of USA to financial analysts who complete a series of three examinations. The program focuses on portfolio management and financial analysis, and provides a general knowledge of other areas of finance.

Course Description:



The Chartered Financial Analyst (CFA) designation is regarded by most to be the key certification by financial professionals. It is essential in the areas of financial and hedge fund research, portfolio management, investment consulting, investment banking, and research within academic institutions. The Chartered Financial Analyst (CFA) Program has even been ranked by The Economist as the "gold standard" among investment analysis designations. The CFA qualification is a best international qualification for those pursuing careers in investments analysis, risk analysis, financial institutions, insurance, etc.

The holder of the CFA charter internationally recognized as having the skills and knowledge to work in financial services and investment positions around the world. The program is comprised of three levels, Level I, Level II and Level III. Each candidate is expected to study at least 250 hours per level, with substantially more, depending on the level of the individual.

Core Modules

CFA Level I	<ul style="list-style-type: none"> • Tools and concepts that apply to investment valuation and portfolio management • Basic concepts regarding securities and markets • CFA Institute Code of Ethics and Standards of Professional Conduct
CFA Level II	<ul style="list-style-type: none"> • Asset valuation • Application of tools and concepts of investment valuation • Industry and company analysis • CFA Institute Code of Ethics and Standards of Professional Conduct
CFA Level III	<ul style="list-style-type: none"> • Corporate Law • Financial Accounting • Management Accounting • Strategic and Operators Management • Management of institutional and individual portfolios • Management of specific asset class portfolios • CFA Institute Code of Ethics and Standards of Professional Conduct

Entry Requirements	Bachelor's degree or equivalent, obtained no later than the 31st of December of the year in which the first exam will be written plus three years of qualifying work experience.
Assessment	The CFA Institute conducts paper based exams at its accredited centres
Start Dates	February and July each year
Study Mode	Distance.
Duration & Hours	The CFA Institute sets no time limit on the duration of the program and does not limit the number of times a candidate may sit exams.

CFA Program Curriculum and Content

The CFA Program is based on the knowledge identified by professionals as essential to the investment decision-making process. Knowledge and skills are accumulated and tested in three sequential levels. The same list of ten topics is covered in each level and is based on the CFA Institute's 'Candidate Body of Knowledge':

- Ethical and Professional Standards
- Quantitative Methods
- Economics
- Financial Reporting and Analysis
- Corporate Finance
- Equity Investments
- Fixed Income
- Derivatives
- Alternative Investments
- Portfolio Management and Wealth Planning

Topics and Emphasis by Level

- CFA Level I: - Knowledge and comprehension of fundamental investment tools and concepts
 - CFA Level II: - Application and analysis focused on asset valuation
 - CFA Level III: - Synthesis and evaluation of client needs and portfolio management issues
- Note that** Ethical and professional standards are emphasized at every level.

Approximate Percentage Breakdown of Topic Areas by Level*

TOPIC AREA	LEVEL I	LEVEL II	LEVEL III
Investment Tools	50%	40%	0%
Asset Valuation	30%	40%	40%
Portfolio Management	5%	10%	50%
Ethics and Professional Standards	15%	10%	10%

* Percentages are average approximations of the actual topic weights for exam purposes, which have a range of target weights. Actual content of future exams may vary.

CFA Level I Exam

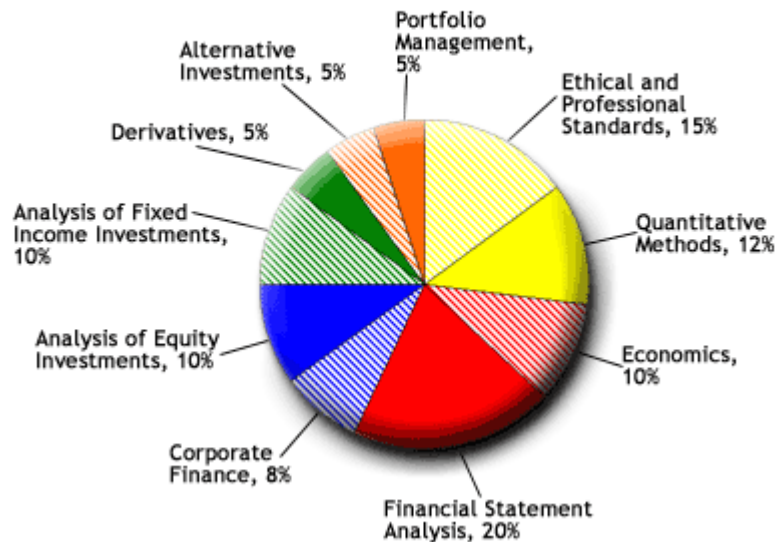
This is the first of three exams offered by the CFA Institute. This exam (in addition to other requirements) must be passed for an individual to become a CFA charter holder. The CFA program is a globally recognized standard for measuring the competence and integrity of financial analysts. Level I focuses on tools and concepts that apply to investment valuation and management.

Exam Information

Time Limit:	6 hours
Number of Questions:	Approximately 240
Passing Score:	Determined each year by the CFA Institute.
Passing Rates:	Average, 36% passed Level I.
Format:	Multiple Choice
Prerequisites:	Bachelor's degree or equivalent, obtained no later than the 31st of December of the year in which the first exam will be written.
Co requisites:	Three years of qualifying work experience must be obtained.
Exam Date(s):	June and December
Exam Results:	Usually provided within 60 days.
Official Exam Website:	www.CFAInstitute.org

Additional Exam Details

CFA Level I Exam Breakdown



CFA Level II Exam

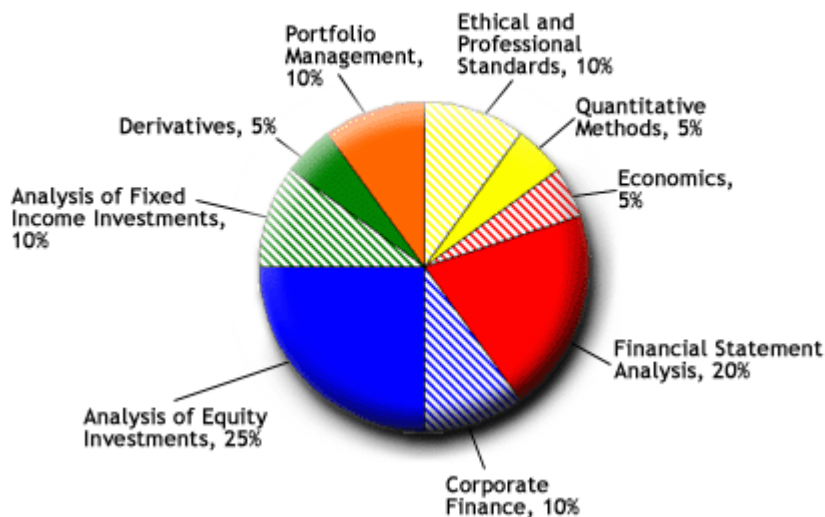
This is the second of three exams offered by the CFA Institute. This exam (in addition to other requirements) must be passed for an individual to become a CFA charter holder. The CFA Program is a globally recognized standard for measuring the competence and integrity of financial analysts. Level II deals mainly with asset valuation. You must be able to apply the tools and concepts emphasized in Level I to analyze and value investments, and should also have a thorough understanding of capital market theory and industry and company analysis.

Exam Information

Time Limit:	6 Hours
Passing Score:	Determined each year by the CFA Institute.
Passing Rates:	Average, 32% passed Level II.
Format:	Multiple Choice
Prerequisites:	Passing grade on CFA Level I exam, and a Bachelor's degree or equivalent.
Corequisites:	Three years of qualifying work experience must be obtained.
Exam Date(s):	June
Exam Results:	Usually provided within 90 days.
Official Exam Website:	www.CFAInstitute.org

The multiple choice portion of the Level II exam consists of item-set type questions. For these item sets, a series of six multiple choice questions are asked on a short case.

CFA Level II Exam Breakdown



CFA Level III Exam

This is the last of three exams offered by the CFA Institute. This exam (in addition to other requirements) must be passed for an individual to become a CFA charter holder. The CFA Program is a globally recognized standard for measuring the competence and integrity of financial analysts. Level III explores portfolio management in great depth. You must demonstrate a working knowledge of the portfolio management process, from calculating investor constraints, objectives, and capital-market expectations to making asset-allocation decisions.

Exam Information

Time Limit:	6 Hours
Number of Questions:	Approximately 120, plus an essay.
Minimum Passing Score:	Determined each year by the AIMR.
Passing Rates:	As of August 2004, 64% passed Level III.
Format:	50% Multiple Choice/50% Essay
Prerequisites:	Passing grade on CFA Level II exam, and a Bachelor's degree or equivalent.
Corequisites:	Three years of qualifying work experience must be obtained.
Exam Date(s):	June
Exam Results:	Usually provided within 90 days.
Official Exam Website:	www.CFAInstitute.org

CFA Level III Exam Breakdown

