



JS INSIGHTS

CFA Level I training

English-first orientation for international finance candidates

JS INSIGHTS GUIDE

CFA[®] Level I Orientation Guide

Ten topic areas and practical study advice

A polished, English-first guide for candidates preparing to move from syllabus coverage to disciplined exam practice.

The guide explains how CFA Level I fits together: the analytical tools, the asset classes, portfolio thinking, and professional judgement. It is designed for international candidates who need to strengthen both finance knowledge and finance-English reading precision.

English-first preparation.

CFA Level I is an English-medium finance exam. JS Insights therefore treats English as the working language for notes, formulas, question reading, error review, and timed practice.

2026 LEVEL I SNAPSHOT

180 questions

Two 135-minute sessions

10 topics

Broad curriculum, structured revision

English medium

Finance vocabulary and reading speed matter

Checked

CFA Institute sources

Key factual details were checked on 22 June 2026.

■ Clear structure

How the ten topic areas fit together.

■ Practical method

Study sequence, revision passes, and error logs.

■ Exam language

Finance-English reading and command words.

Guide at a glance

WHAT THIS PDF IS DESIGNED TO DO

This orientation guide gives candidates a structured way to approach CFA Level I before they commit to a detailed weekly plan.

180

Multiple-choice questions in the 2026 Level I exam.

90 sec

Approximate time per question across the two sessions.

10

Topic areas, from Ethics to Portfolio Management.

English

The working language for study notes and practice.

Publication note. This document is original JS Insights educational material. It is not an official CFA Institute document and should be used alongside the official curriculum and candidate resources.

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An original orientation booklet prepared by JS Insights for international candidates preparing for the CFA® Program in English.

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Sources checked and assumptions

This guide is written to reflect the **2026 CFA Level I exam cycle**. The factual points below were checked against CFA Institute sources on **22 June 2026**. CFA Institute remains the authoritative source, and candidates should always confirm details in their own candidate account and on cfainstitute.org before making registration or exam-day decisions.

The main sources checked were:

- the CFA Program overview and the Level I exam pages on cfainstitute.org;
- the Candidate Body of Knowledge (CBOK);
- the 2026 Level I topic outlines;
- the CFA Exam Calculator Policy and exam-day preparation guidance;
- Practical Skills Module guidance; and
- the Code of Ethics and Standards of Professional Conduct, including introductory GIPS material.

Links to these appear in **Section 10**. Where a rule may change between exam cycles, this guide says so and points candidates back to the official source.

On the reference material. A study guide was available to us as background context. We used it only as a high-level signal of the questions and concerns that candidates tend to raise. We did not translate it, reproduce its structure, or reuse its wording. Everything below is original to JS Insights.

How to Use This Guide

This guide is meant to sit between a short website introduction and a full curriculum text. It does not try to replace the official CFA curriculum, question bank, or candidate resources. Its role is to give candidates a structured way to understand what they are about to study, how the ten topic areas connect, and what habits make the difference between passive reading and exam-ready preparation.

Read it in three passes. On the first pass, focus on the big picture: what the exam is testing, which topics carry more weight, and why English-first practice matters. On the second pass, read the ten topic sections with a pen and mark which areas are already familiar, which are new, and which will probably need tutor support or extra question practice. On the third pass, use Sections 7 and 8 to build your study sequence, revision calendar, and error log.

For JS Insights teaching, this guide can also act as an orientation handout before formal lessons begin. It helps align expectations: CFA Level I is not solved by memorising a formula sheet alone, nor by reading notes without questions. The

strongest candidates combine conceptual maps, calculator fluency, English question-reading practice, and repeated mixed-question review.

1. Opening Note

CFA Level I is best understood not as a test of how much you can memorise, but as a test of whether you can think like an analyst across the whole of investment management. Three qualities run through almost every question.

The first is **breadth with discipline**. Level I covers ten topic areas, from accounting to derivatives to professional ethics. No single area is conceptually overwhelming, but together they ask you to move comfortably between very different ways of thinking — the careful arithmetic of bond pricing one moment, the judgement of an ethics scenario the next. The examination rewards candidates who build a steady, organised command of the basics in every area rather than deep expertise in a favourite few.

The second is **quantitative fluency**. Level I expects you to be quick and accurate with a financial calculator and confident with the core formulae of finance: the time value of money, returns, ratios, bond prices, and basic statistics. You are not asked to derive theory, but you are asked to apply it under time pressure, which is a different and very practical skill.

The third — and in some ways the most important — is the **link between a formula and a judgement**. A number on its own means little. The examination repeatedly checks whether you understand what a result *implies*: what a rising duration tells you about interest-rate risk, what a particular cash-flow pattern says about earnings quality, or what a Standard of Professional Conduct requires you to do in a real situation. Ethics carries the single largest weight at Level I precisely because the profession is built on judgement, not only technique.

For an international candidate whose first language is not English, there is a fourth, quieter challenge: doing all of the above while reading quickly and precisely in English. This is manageable, and later sections of this guide are devoted to it. The important principle is that CFA preparation should be English-first, because the examination itself is in English. The encouraging reality is that Level I is broad rather than deep, and breadth can be conquered with a calm, structured plan and consistent practice. That is what this guide is designed to help you build.

2. How to Approach CFA Level I

A good Level I strategy is mostly a matter of attitude and structure. Six principles guide the approach we recommend.

Treat the syllabus as broad, not impossible. The volume of material surprises many first-time candidates, and it is easy to confuse “a lot to cover” with “too hard to learn”. They are not the same. Most individual ideas at Level I are accessible; the difficulty lies in keeping many accessible ideas organised at once. Plan for coverage and revisiting, not for heroic single sittings.

Prioritise by weight and by foundation. Some topics are heavily weighted (see Section 6); others are light but underpin everything else. Ethics, Financial Statement Analysis, Equity, and Fixed Income carry significant weight, while Quantitative Methods, though more modestly weighted, supports nearly every other subject. Give your scarce early energy to topics that are either high-weight or foundational.

Build concept maps before memorising details. For each topic, first understand the shape of it — what problem it solves, what its main moving parts are, and how they connect. A one-page map of a topic is worth more in the early weeks than a hundred memorised facts, because it gives the facts somewhere to live.

Practise with the calculator and the formulae early. Do not leave calculator fluency or formula application until revision. Begin doing time-value-of-money and bond problems in your first weeks, even imperfectly. Mechanical speed takes time to develop and is far cheaper to build gradually than to cram.

Review mistakes systematically. Your errors are the most efficient curriculum you have. Keep a structured error log (described in Section 8) and return to it. A mistake that is understood and reclassified rarely repeats; a mistake that is merely noticed often does.

Make English the working language. If a concept is initially unclear, a brief explanation in your first language can help unlock the idea. But the examination is read and answered in English, so your notes, formula labels, practice questions, error log, and timed review should all move towards English as quickly as possible. Rehearse in the language of the exam.

A practical first-two-week setup

Before going deeply into the curriculum, spend the first two weeks setting up your study system. This is not administrative decoration; it prevents avoidable friction later.

- **Choose one calculator and learn its basic settings.** Set decimals, payment mode, and payments per year. Practise clearing memory and worksheets until it is automatic.
- **Create one English glossary file.** Add every recurring finance term in English, with a short English definition and one example phrase from a question stem.
- **Create one formula sheet from your own notes.** Do not wait until the end. A formula sheet built gradually is a learning tool, not just a revision document.
- **Create one error log.** Use the five error categories in Section 8 from the beginning: concept, formula, reading, calculator, and careless.
- **Decide your weekly rhythm.** A useful minimum pattern is: concept study, worked examples, topic questions, error-log review, and short English reading drills.

Candidates often underestimate how much these basic systems matter. CFA Level I is broad enough that small disorganisation compounds quickly. A clean study workflow gives your attention back to the actual finance.

3. Calculator and Exam Tools

The approved calculator

CFA Institute permits only two calculator models for its examinations, and this policy is strict — bringing any other model means you cannot use it in the room. The two permitted families are:

- the **Texas Instruments BA II Plus**, including the **BA II Plus Professional**; and
- the **Hewlett Packard 12C**, including its variants (such as the HP 12C Platinum, the anniversary editions, and the 12C Prestige).

Most candidates choose the **TI BA II Plus**, largely because its conventional keystroke logic is easier for newcomers than the HP's reverse Polish notation. Either is fully capable. Whichever you choose, commit to it early and learn one machine deeply rather than switching late. *Confirm the current approved-model list and any exam-day rules on the official candidate resources page before you sit (see Section 10), as policies are reviewed periodically.*

What to master on the calculator

You do not need every function, but you should be genuinely fluent in a core set well before exam day:

- **Time value of money (TVM):** present and future value, annuities, uneven cash flows, and solving for any single unknown. This is the most-used machine skill in the entire exam.

- **Cash-flow and discounted-cash-flow functions:** the **NPV** and **IRR** worktables for project and investment decisions.
- **Bond functions and yields:** pricing a bond and finding yields, which recur throughout Fixed Income.
- **Statistics:** mean, standard deviation, and basic regression-style outputs using the statistics worksheet.

Two practical habits matter as much as the functions themselves. First, **learn to clear the worksheets** reliably — most calculator errors under pressure come from leftover values, not from poor finance. Second, **set your calculator's parameters once and leave them:** payments per year, decimal places, and begin/end mode. Knowing exactly how your machine is configured removes a whole category of avoidable mistakes.

Calculator fluency routine

A candidate who understands the finance but hesitates on the calculator loses time twice: first on the keystrokes, then on the anxiety caused by the delay. Build a short routine into your weekly study:

- **TVM warm-up:** solve for PV, FV, PMT, N, and I/Y in different positions.
- **Cash-flow drill:** enter uneven cash flows, compute NPV and IRR, clear the worksheet, then repeat.
- **Bond drill:** price a coupon bond, solve for yield, then change yield and observe the price movement.
- **Statistics drill:** compute mean and standard deviation from a small data set, then check whether the result makes economic sense.
- **Error drill:** deliberately enter a wrong value, clear the relevant worksheet, and restart. This trains recovery under pressure.

The goal is not speed for its own sake. The goal is to make the calculator disappear into the background so that your attention stays on the question.

The exam format

Level I is a computer-based, multiple-choice examination with three answer options per question (A, B, C) and no penalty for guessing, so you should answer every question. For the 2026 cycle, CFA Institute describes the Level I exam as **180 multiple-choice questions**, split into **two sessions of 135 minutes each**. Each session contains **90 questions**, which works out to roughly **90 seconds per question**. There is an optional break between the two sessions. The practical implication is simple: pacing is part of exam technique. You need to move steadily, flag difficult questions without freezing, and protect time for questions you can answer accurately.

A note on the Practical Skills Modules

CFA Institute requires candidates to complete **at least one Practical Skills Module (PSM) at each level in order to receive their exam result**. PSMs are short, self-paced online modules using videos, multiple-choice questions, guided practice, and case studies; CFA Institute describes each as taking **10–20 hours**. For the 2026 cycle, the Level I options are **Financial Modeling** and **Python Programming Fundamentals**, and the same module cannot be counted at more than one level. Treat the PSM as a real obligation to schedule, not an optional extra to leave until the last minute.

4. Financial English for CFA Candidates

CFA Level I is **not an English-language test** in the way IELTS or TOEFL is. It will not assess your grammar, and it is not trying to catch you out with literary vocabulary. But it is an English-medium finance exam, so candidates must be able to read finance English **quickly and precisely** under time pressure. For a strong candidate whose first language is not English, the gap is often not conceptual understanding — it is reading speed, technical vocabulary, and the confidence to parse a question stem correctly the first time. The following strategies close that gap.

Build an English finance glossary as you study. Keep a running list of key terms with the English term, your

own short English definition, and one brief note on how the term is used in questions. A translation may help at the beginning, but the important discipline is writing the English definition yourself. Financial Statement Analysis and Derivatives will fill this glossary fastest; let them.

Learn the command words. Examination questions are built from a small set of recurring instruction words — *most likely, least likely, best described as, all else equal, will increase / decrease*. These words decide what the question is actually asking. Misreading “least likely” as “likely” is one of the most common avoidable errors at Level I, and it has nothing to do with finance. Train yourself to spot and underline these words mentally every time.

Avoid translating whole questions. Translating an entire vignette into another language in your head is slow and introduces new mistakes. If you need to clarify a concept, do so briefly, then return to the English. The goal is to think in English by exam day, because the exam does not reward parallel translation; it rewards fast, accurate interpretation of English finance language.

Practise reading item stems against the clock. Set short timed drills where the only task is to read a question stem and state, in one sentence, what is being asked — before doing any calculation. This separates the reading skill from the finance skill so you can strengthen each on its own. Reading comprehension under time pressure improves remarkably quickly with deliberate practice.

Keep your formula notation consistent. Different textbooks and tutors use slightly different symbols. Choose one consistent notation for each formula and use it everywhere in your own notes, so that a symbol never costs you a moment’s hesitation. Consistency in notation is, in effect, a second vocabulary you are building — make it stable.

Question-stem language to master

Some English phrases appear repeatedly in CFA-style questions and have very specific exam consequences:

- **Most likely / least likely:** identify the direction of the question before reading the answer choices.
- **All else equal:** isolate one variable and hold the rest constant.
- **Best described as:** choose the answer that captures the concept most precisely, not the answer that merely sounds related.
- **Increase / decrease / no effect:** decide the direction first, then calculate only if the direction is not enough.
- **Compared with / relative to:** make sure you know the benchmark.
- **Required return / expected return / realised return:** these are not interchangeable.
- **Price / value / cost:** in valuation questions, these words may refer to different points in the decision process.

For candidates whose first language is not English, the best training is not general English reading. It is repeated exposure to finance question stems. After every practice set, copy two or three difficult stems into your glossary and rewrite what the question was asking in plain English.

A reassuring final point: reading speed is highly trainable, and many candidates whose first language is not English find that after a few weeks of English-only practice the language stops being the obstacle and becomes simply the medium.

5. Four Learning Blocks

The ten topics can feel like ten separate subjects. They are easier to hold in mind, and to sequence sensibly, when grouped by the *kind of thinking* each demands. This is JS Insights’ own grouping, designed to help you see the curriculum as a structure rather than a list.

Block 1 — Foundation and analytical tools. *Quantitative Methods, Economics, Financial Statement Analysis, Corporate Issuers.* These are the instruments of analysis: how to measure and discount value, how the economic environment behaves, how to read a company’s financial statements, and how firms invest and finance themselves. Almost everything later in the curriculum draws on this block, so a secure foundation here pays compounding dividends.

Block 2 — Asset classes and instruments. *Equity Investments, Fixed Income, Derivatives, Alternative Investments.* This block is about the things you actually invest in: shares, bonds, derivative contracts, and assets beyond the

public markets. Each has its own pricing logic and risk profile, but all of them rest on the tools from Block 1.

Block 3 — Portfolio thinking. *Portfolio Management.* Here the perspective widens from individual instruments to whole portfolios and the clients who own them. This block integrates the asset classes into a coherent approach to risk, return, and the investment process, which is why it is often best studied later.

Block 4 — Professional judgement. *Ethical and Professional Standards.* This block stands somewhat apart because it tests judgement rather than calculation, and because it carries the largest single weight at Level I. It belongs in its own block precisely so that you give it dedicated, recurring attention rather than treating it as an afterthought.

Reading the curriculum through these four blocks turns ten topics into four manageable ideas: *the tools*, *the instruments*, *the portfolio*, and *the judgement*. The study sequence in Section 7 follows naturally from this structure.

The four-block view is also useful during revision. When you miss a question, ask whether the weakness belongs to the tool, the instrument, the portfolio context, or the professional judgement layer. A wrong answer in Equity may actually be a weakness in Financial Statement Analysis; a Fixed Income mistake may be a time-value-of-money problem; an Ethics mistake may be a reading-precision problem. This diagnosis is more useful than simply recording the topic name.

6. Ten Topic Area Guide

The ten topics carry different weights, which CFA Institute publishes as ranges. The figures below are the official **2026 Level I** weightings, verified against CFA Institute's Level I exam page on 22 June 2026. CFA Institute also groups the topics across the two exam sessions, as shown. Weightings are reviewed between cycles, so confirm them against the official page if you are planning for a later year.

Session 1

- Ethical and Professional Standards — **15–20%**
- Quantitative Methods — **6–9%**
- Economics — **6–9%**
- Financial Statement Analysis — **11–14%**
- Corporate Issuers — **6–9%**

Session 2

- Equity Investments — **11–14%**
- Fixed Income — **11–14%**
- Derivatives — **5–8%**
- Alternative Investments — **7–10%**
- Portfolio Management — **8–12%**

A clear pattern emerges: Ethics, Financial Statement Analysis, Equity, and Fixed Income together account for a large share of the paper, while the foundational tool topics are lighter in weight but heavy in influence. Plan your effort accordingly.

Quantitative Methods

Quantitative Methods is the toolkit that the rest of the curriculum borrows from. It covers the time value of money; rates of return and how to measure them; the organisation and statistical description of data; probability and the main probability distributions; sampling, estimation, and confidence intervals; hypothesis testing; and an introduction to simple linear regression and to the data-science and fintech concepts now woven through the syllabus.

It matters in practice because almost every investment decision is, at heart, a quantitative comparison. Valuing an asset means discounting its future cash flows to today. Judging a manager means measuring how much return was

earned for the risk taken. Deciding whether a strategy genuinely works means asking whether an observed result is real or merely noise — exactly the question hypothesis testing is built to answer. Analysts who are fluent here work faster and make fewer errors everywhere else, because these tools reappear constantly.

For early-stage learners, especially those whose first language is not English, the difficulties are usually mechanical and terminological rather than conceptual. The notation is dense; the statistical vocabulary — standard error, confidence interval, significance level, p-value — is precise and easy to confuse; and several pairs of ideas look deceptively similar. Money-weighted and time-weighted returns, for instance, answer different questions and can give very different numbers for the same portfolio, yet candidates routinely conflate them.

Study it efficiently by:

- mastering the time-value-of-money keystrokes on your calculator before anything else, until present value, future value, and uneven cash flows are effortless;
- building intuition for *what discounting actually does* — that a discount rate is the price of time and risk — rather than memorising formulae blindly;
- learning a hypothesis test as a fixed sequence of steps, so that any test becomes the same procedure with different inputs; and
- focusing your memory on the small set of formulae and distributions that genuinely recur.

Practise: annuity and uneven-cash-flow problems; NPV and IRR; holding-period, money-weighted, and time-weighted returns; probability and expected-value questions; setting up and interpreting hypothesis tests; and reading the output of a simple regression.

Connects to: essentially everything. Time value underpins bond pricing in Fixed Income and dividend models in Equity; capital budgeting in Corporate Issuers reuses NPV and IRR directly; and the measures of risk, return, and correlation introduced here become the backbone of Portfolio Management.

Core focus for revision: make sure you can move between notation, calculator input, and interpretation. For time value questions, know which cash flow is occurring at which date. For returns, distinguish arithmetic, geometric, money-weighted, and time-weighted measures. For statistics, understand what a measure tells you before memorising how to compute it. For hypothesis testing, practise the full decision chain: hypotheses, test statistic, critical value or p-value, decision, and interpretation. Regression questions usually test interpretation as much as calculation, so pay close attention to slope, intercept, R-squared, standard error, and statistical significance.

Economics

Economics at Level I spans three domains. Microeconomics examines demand and supply, elasticity, and how firms behave under the four market structures — perfect competition, monopolistic competition, oligopoly, and monopoly. Macroeconomics covers aggregate output and the measurement of GDP, inflation and the business cycle, and the monetary and fiscal tools that central banks and governments use to steer the economy. The international section then adds trade, capital flows, and the exchange rates that connect economies.

It matters because the economic environment sets the stage for every asset class. Interest rates, inflation, and the phase of the business cycle move bond and equity prices; a shift in central-bank policy can re-price entire markets; and for an international investor, exchange-rate movements can dominate the return actually realised on a foreign holding. An analyst who can read the macroeconomic backdrop interprets company and market news with far more context.

The common difficulties are breadth and a handful of stubborn mechanics. The subject is wide and conceptual, with many curves that shift in directions that are easy to muddle under pressure. Exchange-rate questions cause particular trouble: the quoting conventions (which currency is the base and which is the price) invert the arithmetic, cross-rates require chaining two quotes correctly, and forward premiums and discounts follow a rule best learned once and applied mechanically.

Study it efficiently by:

- concentrating on cause and effect — *why* a change moves a market — rather than memorising conclusions in isolation;
- drawing the supply-and-demand and macro graphs yourself until the shifts are second nature;
- developing one reliable, written-down procedure for currency questions and using it every single time; and

- anchoring abstract ideas to current events, which makes them far easier to recall.

Practise: elasticity calculations; identifying market structures and their pricing implications; tracing the effects of monetary and fiscal policy and the business cycle; and currency cross-rates together with forward premiums and discounts.

Connects to: Fixed Income most directly, through interest rates and inflation; Equity, through the business cycle and sector behaviour; Alternative Investments, through commodities; and Portfolio Management, where macroeconomic conditions appear as systematic risk factors.

Core focus for revision: do not treat Economics as a set of disconnected definitions. For microeconomics, learn what shifts a curve and what moves along a curve. For market structures, compare pricing power, barriers to entry, long-run profit, and output decisions. For macroeconomics, connect GDP growth, inflation, unemployment, monetary policy, fiscal policy, and the business cycle. For international economics, practise exchange-rate quotations until you no longer hesitate over which currency is appreciating. Many wrong answers in Economics come from getting the direction right in words but wrong in notation.

Financial Statement Analysis

Financial Statement Analysis (FSA) teaches you to read and interpret the three core financial statements — the income statement, the balance sheet, and the statement of cash flows — and the notes that accompany them. It covers the accounting principles behind them, the mechanics of specific areas such as revenue recognition, inventories, long-lived assets, income taxes, and financing liabilities, the major differences between IFRS and US GAAP, and the use of ratio analysis to assess profitability, liquidity, solvency, and efficiency. It closes with the crucial skill of evaluating the *quality* of reported earnings.

It matters because financial statements are the primary language of company analysis. Equity valuation, credit assessment, and almost any judgement about a firm's health begin with the numbers a company reports — and with the ability to see when those numbers flatter reality. The analyst who can reconstruct cash flows or spot an aggressive revenue policy has an advantage that no formula alone provides.

This is often the most demanding topic for learners whose first language is not English, not because the ideas are unusually hard, but because the terminology is dense, specific, and unforgiving, and because many candidates know the concepts in another language without the precise English equivalents. The logic of double-entry accounting, the way the three statements articulate with one another, and distinctions such as LIFO (permitted under US GAAP but not IFRS) all take time to internalise.

Study it efficiently by:

- learning the architecture of each statement and, above all, how they link — especially how the cash-flow statement reconciles net income to cash;
- building a thorough English glossary of accounting terms early and adding to it relentlessly;
- grouping the ratios by what they measure, and practising them until both the calculation and its interpretation are automatic; and
- always asking *why* an adjustment is made, so that the rules become reasoning rather than rote.

Practise: preparing and adjusting cash-flow statements under both the direct and indirect methods; computing and, just as importantly, interpreting ratios; working through inventory, depreciation, and deferred-tax effects; and identifying the warning signs of low-quality earnings.

Connects to: Equity valuation and Corporate Issuers most directly, since both depend on the figures FSA produces; credit analysis in Fixed Income; and the analytical tools of Quantitative Methods. A secure command of FSA quietly raises your performance across the whole asset-class block.

Core focus for revision: prioritise statement linkage. Net income, retained earnings, operating cash flow, assets, liabilities, and equity should not feel like separate islands. Learn how accounting choices affect ratios and cash-flow interpretation: inventory methods, depreciation, impairment, revenue recognition, leases, and deferred taxes. Ratio questions are rarely only arithmetic; after calculating, ask what the ratio says about profitability, liquidity, solvency, efficiency, or valuation. For English-first study, this topic needs a particularly careful glossary because terms such as impairment, accruals, deferred tax, carrying amount, and working capital appear frequently.

Corporate Issuers

Corporate Issuers — the topic once known as Corporate Finance — examines companies from the inside. It covers corporate governance and the management of stakeholder interests, environmental, social, and governance (ESG) considerations, the features of different business models, capital investment decisions (capital budgeting), the cost of capital, the use of operating and financial leverage, the management of working capital, and the basics of capital structure.

It matters because it explains how firms create value and how they pay for it — knowledge that informs both equity and credit analysis. Whether a company should accept a project, what mix of debt and equity it should carry, and how well its board protects shareholders are all questions that feed directly into an investment view. Good governance and sensible capital allocation are, over time, among the clearest markers of a business worth owning.

The difficulties are mostly about overlap and precision. The capital-budgeting mechanics reuse the NPV and IRR tools from Quantitative Methods, so weakness there resurfaces here. The weighted average cost of capital (WACC) must be assembled from several parts — an after-tax cost of debt and a cost of equity, each estimated correctly and weighted properly — and small slips compound. The different forms of leverage (operating, financial, and total) are easy to confuse without a clear mental picture of where each one bites.

Study it efficiently by:

- anchoring everything to the single question of *how value is created and financed*;
- mastering the WACC calculation component by component, and the capital-budgeting decision rules alongside it;
- building an intuitive feel for how leverage magnifies both gains and losses; and
- learning the governance and ESG vocabulary as a coherent framework rather than a list of terms.

Practise: NPV and IRR project decisions; computing WACC and its individual components; the degrees of operating, financial, and total leverage; and the main working-capital measures.

Connects to: Quantitative Methods (time value), FSA (which supplies the inputs), Equity Investments (where the cost of capital drives valuation), and Portfolio Management (where the governance and ESG themes recur).

Core focus for revision: organise the topic around corporate decision-making. Capital budgeting asks which projects create value. Cost of capital asks what return investors require to finance those projects. Leverage asks how fixed costs and debt magnify outcomes. Working capital asks how day-to-day operating assets and liabilities are managed. Governance asks whether managers are acting in the interests of capital providers and stakeholders. When the topic feels scattered, return to this sequence: invest, finance, operate, govern.

Equity Investments

Equity Investments covers how equity markets are organised and how security-market indices are constructed and weighted, the characteristics of different types of shares, the concept and three forms of market efficiency, frameworks for analysing industries and companies, and the core methods of equity valuation — present-value (dividend discount) models, multiples such as price-to-earnings and price-to-book, and an introduction to free-cash-flow approaches.

It matters because equities are a central component of most portfolios, and valuation is the point at which analysis becomes a decision. A share is a residual claim on a company's assets and earnings, which is precisely what gives equities both their higher expected return and their greater risk relative to bonds — a contrast that recurs throughout the curriculum. Whether a particular share is worth buying depends on a defensible estimate of its value, and this topic builds the methods for forming one — as well as the market context, from index mechanics to the efficiency of pricing, in which those methods are applied.

For early-stage learners, the main challenge is the number of models and knowing which to use when. The dividend discount model is elegant but acutely sensitive to its growth and discount-rate assumptions, so small input changes swing the answer dramatically — a feature candidates must understand rather than be surprised by. The details of index construction (price-weighting versus market-capitalisation-weighting versus equal-weighting) and the precise definitions of the efficiency forms also reward careful attention.

Study it efficiently by:

- holding firmly to the core idea that a share's value is a claim on future cash flows, which unifies every model;
- mastering the dividend discount model — single-stage and multi-stage — and the main multiples thoroughly;

- understanding the *implications* of market efficiency for active management, not just its definitions; and
- learning a structured approach to industry and company analysis so that qualitative questions have a method too.

Practise: single- and multi-stage dividend discount models, including the Gordon growth model; price-to-earnings, price-to-book, and other multiples; index-weighting and index-return calculations; and structured industry analysis.

Connects to: Quantitative Methods and FSA, which supply its inputs; Corporate Issuers, which supplies the cost of capital used to discount; and Portfolio Management, where individual equities become portfolio holdings.

Core focus for revision: master the link between business analysis and valuation. A dividend discount model is not just a formula; it is a claim about sustainable dividends, growth, and required return. Multiples are not just shortcuts; they depend on comparability, accounting quality, growth, profitability, and risk. Index questions often test mechanical precision, especially the difference between price-weighted, market-cap-weighted, and equal-weighted indices. Market efficiency questions test the implication for active management: what information is already reflected in prices, and what kind of analysis might still add value.

Fixed Income

Fixed Income examines the features of bonds — coupon, maturity, seniority, and embedded options — and the main types of issuer, from governments to corporations to the securitised products built from pools of loans. It covers how bonds are issued and traded, how they are priced from discounted cash flows, the several measures of yield, the term structure of interest rates, the principal risks (interest-rate risk captured by duration and convexity, and credit risk), and the essentials of credit analysis.

It matters because fixed income is the largest asset class in the world, and interest rates and credit conditions influence the price of almost everything else. Bonds provide income, diversification, and a relatively predictable return profile, which makes them indispensable to portfolio construction — and the discounting logic at their core is the same logic that values every other asset.

The difficulties are concentrated in mechanics and intuition. Pricing demands real comfort with the time value of money; there are several yield measures, each appropriate in different circumstances and easy to muddle; and two relationships in particular need to become genuinely intuitive — the inverse link between price and yield, and the way duration and convexity together describe how a bond's price responds to rate changes. Spot rates, forward rates, and credit spreads add further vocabulary that must be kept straight.

Study it efficiently by:

- mastering bond pricing on the calculator until it is effortless, including bonds priced between coupon dates;
- building a strong intuition for interest-rate risk — what a higher duration *means* for an investor;
- learning each yield measure alongside the situation in which it is the right one; and
- treating credit analysis as a structured assessment of both the ability and the willingness to pay.

Practise: price-and-yield calculations; spot and forward rates; estimating price changes using duration and convexity; and analysing credit spreads and their drivers.

Connects to: Quantitative Methods (the time value of money), Economics (interest rates and inflation), Derivatives (interest-rate and credit instruments), and Portfolio Management (where bonds contribute risk reduction and diversification).

Core focus for revision: build the topic around cash flows, discount rates, and risk. A plain bond is a stream of promised cash flows; its price changes when the market discount rate changes. Duration is the first-order sensitivity to yield changes, and convexity refines that estimate. Yield measures differ because they answer different questions, so learn when each measure is appropriate. Credit analysis should be treated as a structured judgement about capacity and willingness to pay, not as a vague statement that one issuer is “safer” than another. Fixed Income rewards candidates who can combine calculator accuracy with intuition about interest-rate risk.

Derivatives

Derivatives introduces the four building blocks — forwards, futures, swaps, and options — together with how derivative markets are organised, the principles of pricing and valuation (the cost-of-carry and no-arbitrage framework, and put-call parity for options), and the purposes for which these instruments are used, principally hedging and the efficient

adjustment of exposure.

It matters because derivatives are the primary tools of risk management, they are embedded in many other securities (from callable bonds to structured products), and the no-arbitrage reasoning that prices them is one of the most elegant and transferable ideas in all of finance. In practice, a manager might use index futures to adjust a portfolio's equity exposure within minutes, or options to shape its downside — achieving with a small outlay what would otherwise require costly trading in the underlying assets. An analyst who grasps no-arbitrage can also value instruments they have never seen before by asking what portfolio would replicate them.

This is among the most abstract topics for newcomers. Payoff structures must be visualised; the discipline of arbitrage-free pricing is a new way of thinking; the distinction between forwards and futures (futures are exchange-traded, marked to market daily, and margined, whereas forwards are private agreements) is subtle; and a swap is best understood as a series of forwards rather than a single object. The good news is that derivatives reward visual learners.

Study it efficiently by:

- drawing the payoff diagram for every instrument and option position until the shapes are automatic;
- internalising the no-arbitrage argument as the engine behind every valuation result;
- understanding what each of the four instruments is *for* before tackling its formulae; and
- separating an option's intrinsic value from its time value, and being precise about moneyness.

Practise: forward and futures pricing under cost-of-carry; option payoffs, moneyness, and intrinsic-versus-time value; put–call parity; and the construction of simple hedges and exposures.

Connects to: Quantitative Methods and Fixed Income, which supply the pricing foundations; Portfolio Management, where derivatives are used to control risk; and Alternative Investments, through commodity and other exposures.

Core focus for revision: separate payoff, price, and purpose. The payoff tells you what happens at expiry or settlement. The price or value tells you what the position is worth today. The purpose explains why an investor or company would use the contract. Forwards and futures are easiest when you start from the underlying asset and the cost of carry. Options are easiest when you draw the payoff diagram and then identify intrinsic value, time value, and moneyness. Swaps become less mysterious when treated as a package of forward-like exchanges.

Alternative Investments

Alternative Investments surveys the asset classes beyond public stocks and bonds: real estate, private equity and private debt, hedge funds, commodities and infrastructure, and an introduction to digital assets. It examines how each is structured, the fee arrangements that govern them, the particular challenges of valuing illiquid assets, and the role of due diligence in selecting managers and investments.

It matters because alternatives offer diversification and sources of return that behave differently from traditional assets, and allocations to them have grown across institutional and private portfolios alike. Their distinctive liquidity, fee, and valuation characteristics — an illiquidity premium here, a long lock-up there — make understanding them an increasingly standard part of an analyst's competence rather than a specialist niche. Because returns can be hard to observe and managers vary widely in quality, due diligence and a clear grasp of how each vehicle is structured matter more here than in public markets.

The difficulty here is breadth and unfamiliarity rather than conceptual depth. Each category has its own conventions: private equity distinguishes buyout from venture and exhibits a “J-curve” of early negative returns; hedge funds pursue a wide range of strategies; commodity returns depend on more than the spot price. Fee structures take practice to apply correctly — a management fee combined with an incentive fee, often subject to a hurdle rate and a high-water mark — and the valuation of illiquid assets follows different rules from those used for listed securities.

Study it efficiently by:

- focusing on what makes each category *distinct* — its cash flows, liquidity, fee model, and valuation approach;
- resisting the temptation to over-memorise detail in a lightly weighted topic;
- building a clear side-by-side mental map of the categories; and
- learning the fee mechanics through worked numerical examples rather than definitions alone.

Practise: fee calculations, including management and incentive fees with hurdle-rate and high-water-mark mechan-

ics; the defining characteristics and risks of each category; and the basic valuation approaches used for real estate and private investments.

Connects to: Portfolio Management (diversification and allocation), Derivatives and Economics (commodities), and the broader curriculum theme of weighing risk, return, and liquidity together.

Core focus for revision: compare categories rather than memorising them one at a time. For each alternative asset class, ask the same questions: What are the cash flows? How liquid is the investment? How is it valued? What fees are charged? What risks are hard to observe? How does it diversify a traditional portfolio? Private equity and private debt require attention to fund structure and the J-curve. Real estate and infrastructure require attention to income, appraisal, and leverage. Hedge funds require attention to strategy, liquidity terms, and fee mechanics. Commodities require attention to spot prices, futures, storage, convenience yield, and roll return.

Portfolio Management

Portfolio Management widens the lens from single securities to whole portfolios and the clients who hold them. It covers the portfolio approach to investing and the steps of the portfolio-management process, measures of risk and return, the essentials of modern portfolio theory (the efficient frontier, the capital market line, and the capital asset pricing model), the distinction between systematic and unsystematic risk, an introduction to risk management, the investment policy statement, and introductions to behavioural finance and to vehicles such as exchange-traded funds.

It matters because this is where the curriculum comes together: individual instruments become a coherent portfolio, and analysis is placed in the service of a client's objectives and constraints. The central insight — that the risk of a holding is best judged by its contribution to the portfolio, not in isolation — reshapes how every earlier topic is used.

The challenge is that the topic blends quantitative theory with qualitative process. On one side sit beta, correlation, and the capital asset pricing model; on the other sits the client-centred logic of setting objectives and writing an investment policy statement (IPS), with its return and risk objectives and its liquidity, time-horizon, tax, legal, and unique constraints. Because it draws on several other topics, studying it too early can feel ungrounded.

Study it efficiently by:

- studying it after the asset classes, so that it genuinely integrates them rather than floating above them;
- mastering portfolio risk and return, the efficient frontier, and the capital asset pricing model and its security market line;
- distinguishing carefully between systematic risk (which is rewarded) and unsystematic risk (which diversification removes); and
- learning the structure of an IPS so well that you can build one from a client scenario.

Practise: expected return and variance for two-asset and multi-asset portfolios; beta and the capital asset pricing model; the Sharpe ratio and other performance measures; and constructing an IPS from a described client.

Connects to: every asset-class topic, the risk-and-return tools of Quantitative Methods, and the client-duty Standards within Ethics — making it the natural capstone of Level I study.

Core focus for revision: keep two perspectives in view. The quantitative perspective asks how assets combine: expected return, variance, covariance, correlation, beta, diversification, and the capital asset pricing model. The client perspective asks what the portfolio is for: objectives, constraints, time horizon, liquidity needs, tax considerations, and unique circumstances. Many candidates learn the formulas but underperform on scenario questions because they do not translate client facts into portfolio implications. Treat the investment policy statement as the bridge between client information and portfolio construction.

Ethical and Professional Standards

Ethics covers the Code of Ethics, the seven Standards of Professional Conduct — Professionalism; Integrity of Capital Markets; Duties to Clients; Duties to Employers; Investment Analysis, Recommendations, and Actions; Conflicts of Interest; and Responsibilities as a CFA Institute Member or Candidate — and an introduction to the Global Investment Performance Standards (GIPS). Crucially, it is examined through *application*: short scenarios in which you must decide what a Standard requires and what the correct course of action would be.

It matters more than its place in the curriculum might suggest. It carries the single largest weight at Level I; it expresses

the professional values on which the entire qualification rests; and, because candidates near the passing standard are influenced by how they perform here, it can be decisive at the margin. Ethics is not a soft topic to be skimmed — in scoring terms, it is the most important subject in the examination.

The difficulty is that ethics rewards judgement rather than recall, and the scenario distinctions are deliberately fine. The “least likely to violate” or “most consistent with” phrasing turns on small details, and the appropriate response can run counter to assumptions formed in a different professional or cultural context. For candidates whose first language is not English there is an added layer: the vignettes are written in precise English in which a single qualifying word can change the answer.

Study it efficiently by:

- reading the Standards together with the official guidance and worked examples that accompany them, which show how each Standard applies in practice;
- practising a large volume of scenario questions, because the examinable skill is application, not memorisation;
- learning the *logic and purpose* of each Standard, so that unfamiliar situations can be reasoned through; and
- revisiting ethics in small, regular doses throughout your preparation rather than leaving it to the final weeks.

Practise: scenario and case questions across all seven Standards — identifying the Standard at issue and the required action — together with the purpose and basic requirements of GIPS.

Connects to: every other topic, because research, recommendations, client duties, and performance reporting all carry ethical obligations. Treat Ethics as the thread running through the whole curriculum — and, given its weight, as a priority from the very first week.

Core focus for revision: learn the Standards as decision rules, not slogans. In a scenario, identify the parties involved, the duty owed, the action taken, the conflict or risk, and the required response. Pay particular attention to duties to clients, disclosure of conflicts, fair dealing, material nonpublic information, reasonable basis, record retention, and responsibilities connected to the CFA designation. Ethics questions often contain tempting answers that sound morally good but do not match the Standard’s required action. The safest habit is to ask: what does the Standard require this person to do next?

7. Suggested Study Sequence

There is no single correct order in which to study Level I, and you should adapt any sequence to your own background — an accounting graduate and an engineering graduate will sensibly start in different places. What follows is one well-reasoned sequence for a first-time candidate, offered as a sound default rather than a rule.

1. **Begin with Quantitative Methods and the core finance concepts.** Starting here gives you the time-value-of-money tools and the calculator fluency that almost every later topic depends on. Early, slightly uncomfortable practice with these tools pays off across the whole syllabus.
2. **Build accounting literacy through Financial Statement Analysis.** This is a large, foundational topic, and it takes time to absorb, so begin it early. A secure grasp of the financial statements makes Equity and credit analysis far more approachable later.
3. **Move into Fixed Income and Equity.** With the tools and the accounting in place, the two largest asset-class topics become much more natural. Studying them in proximity also lets you contrast how debt and equity claims are valued.
4. **Add Corporate Issuers, Derivatives, and Alternative Investments.** Corporate Issuers reinforces the valuation tools from a company’s perspective; Derivatives introduces no-arbitrage thinking; and Alternative Investments broadens the picture beyond public markets. Together they round out your command of the instruments.
5. **Keep Ethics recurring throughout, rather than saving it for the end.** Because ethics is a skill of judgement built through repeated exposure, it is best studied in regular, modest doses from early on — perhaps a steady stream

of scenario questions alongside your technical study — and then consolidated near the exam. Leaving it entirely to the final fortnight wastes its compounding benefit and risks under-preparing the most heavily weighted topic.

6. **Use Portfolio Management to integrate the curriculum.** Studying it late, once the asset classes are familiar, lets it do its real job: tying the individual pieces into a coherent view of risk, return, and the client's objectives.

Economics can be placed flexibly — many candidates fit it alongside the asset classes, where its relevance to markets is most visible. The deeper principle behind this sequence is simple: **tools before instruments, instruments before portfolios, and judgement throughout.**

Example pacing patterns

For a candidate with around six months, a sensible rhythm is a **24-week plan**: roughly 14-16 weeks for the first pass, 5-6 weeks for topic practice and consolidation, and 3-4 weeks for mixed questions, mock exams, and final repair. In this structure, Ethics should appear every week from the middle of the plan onwards, not only at the end.

For a candidate with around four months, a **16-week plan** must be more disciplined. The first pass should be shorter and more selective, with practice questions introduced immediately after each reading or topic block. The middle phase should prioritise FSA, Ethics, Equity, Fixed Income, and weak quantitative areas. The final phase should include timed question sets and at least a small number of full-session mocks. A compressed plan can work, but only if passive reading is kept under control.

For a candidate working full time, the key issue is not only the total number of hours but the quality of attention. Short weekday sessions are best used for questions, formula review, calculator routines, and English glossary work. Longer weekend sessions are better for new concepts, mock exams, and deep review of weak areas. If every session is used for reading, the candidate may feel busy while not becoming exam-ready.

8. Practice and Review System

Knowledge that is only read is quickly lost; knowledge that is practised and reviewed becomes reliable. We suggest a three-pass structure, supported by a disciplined error log and a focused final month.

First pass — understand and map. Work through each topic for comprehension, not speed. Build the one-page concept map described in Section 2, add terms to your English glossary, and attempt enough questions to confirm you have understood. The aim of this pass is a secure mental model of every topic, not exam-readiness.

Second pass — practise by topic. Now drill each topic with focused question sets until your accuracy and speed both rise. Working one topic at a time lets you concentrate your effort where it is needed and turns understanding into fluency. Track which subtopics remain weak.

Third pass — mixed questions and mock examinations. Switch to mixed sets that jump between topics, exactly as the real paper does, and then to full timed mock examinations. This pass trains the skills that single-topic practice cannot: rapid context-switching, pacing across a long sitting, and managing concentration and nerves.

Keep a structured error log. For every question you get wrong, record not just the correct answer but the *type* of mistake. We suggest five categories:

- **Concept** — you did not understand the underlying idea.
- **Formula** — you knew the concept but applied the wrong formula or made an algebraic slip.
- **Reading** — you misread the question, often a command word such as “least likely”.
- **Calculator** — a keystroke or settings error, not a finance error.
- **Careless** — a lapse of attention on something you knew.

Classifying errors this way is powerful because the remedy differs entirely by type: concept errors send you back to study, reading errors call for the English drills in Section 4, and calculator errors are solved by mechanical repetition. Reviewing the *pattern* of your errors tells you precisely where your next hour is best spent.

The final month. In the closing weeks, shift decisively to timed practice and full mocks under realistic conditions. Use your error log to target weak topics for repair rather than re-reading everything. Give ethics a dedicated review, since it is high-weight and judgement-based. And consolidate your own concise formula sheet — the act of building it is itself revision, and it becomes the single document you review on the final days.

Mock exam review routine

The value of a mock exam is not the score alone. The score tells you where you are; the review tells you what to do next. After each mock or long timed set, review in four passes:

1. **First pass: obvious corrections.** Identify calculation slips, misread words, and questions where you changed a correct answer to a wrong one.
2. **Second pass: concept gaps.** For every concept error, write the missing idea in one or two sentences. If you cannot do that, return to the reading or lesson.
3. **Third pass: process errors.** Note whether the problem came from pacing, calculator setup, formula selection, or English interpretation.
4. **Fourth pass: repair plan.** Choose no more than three repair priorities for the next week. Too many priorities turn review into noise.

A good mock review can take almost as long as the mock itself. That is not wasted time. It is where the exam begins to teach you.

Formula sheet discipline

Build your formula sheet actively rather than downloading one passively. Each line should include the formula, the meaning of each variable, the topic where it appears, and one note on when to use it. Where possible, add a short interpretation. For example, duration is not only a formula; it is a sensitivity measure. Beta is not only a regression output; it is exposure to systematic risk. WACC is not only a weighted average; it is the required return for capital providers under a particular capital structure.

The formula sheet should become shorter over time. Early in preparation, it may be broad and messy. By the final weeks, it should contain only formulas, definitions, and traps that you genuinely need to revisit.

9. How JS Insights Can Support Your Preparation

JS Insights is an independent education and training provider working with international students, early-career finance professionals, and candidates preparing for English-medium finance qualifications in the UK. Our support for CFA candidates is built around a few simple commitments.

- **One-to-one support shaped around your background.** A finance graduate, a career-changer, and an engineering student need different things from the same syllabus. We start from where you are and plan accordingly, rather than applying a single template.
- **English-first preparation.** We help candidates build the technical vocabulary, question-reading habits, and finance-English confidence needed for an English-medium exam.
- **A strong quantitative and financial-econometrics foundation.** Our wider training in quantitative methods, financial econometrics, and R and Python for finance means we are well placed to help with the parts of Level I that candidates often find most demanding, and to connect them to genuine analytical practice.
- **Help with planning, review, and practice questions.** We can assist with building a realistic study plan, reviewing weak topics, and walking through practice questions step by step — including the reading and calculator habits that turn understanding into exam performance.

What we do not do is equally important. **We do not predict examination content, and we do not guarantee results.** Anyone who promises a “secret shortcut” or a guaranteed pass is not being honest with you. Our role is to

make your own preparation more efficient, better organised, and better supported — the work, and the achievement, remain yours.

To learn more about our CFA and finance training, visit jsinsights.co.uk/cfa-training.

10. References and Further Reading

The following CFA Institute pages are the authoritative sources for the facts in this guide. They were checked on **22 June 2026**. Where this guide gives a figure, the official page should be treated as definitive, as details are reviewed between exam cycles. *Exact URLs occasionally change; if a link has moved, search the relevant title on cfainstitute.org.*

- CFA Program — overview: [CFA Program overview](#)
- CFA Program — Level I exam (structure, scheduling, and policies): [Level I exam page](#)
- Candidate Body of Knowledge (CBOK): [Candidate Body of Knowledge](#)
- 2026 Level I topic outlines (PDF): [2026 L1 topics, combined](#)
- Curriculum-change guidance (most recent guidebook): [CFA Program curriculum change guidebook](#)
- CFA Exam Calculator Policy: [CFA Exam Calculator Policy](#)
- Exam day preparation guide: [Exam day preparation guide](#)
- Code of Ethics and Standards of Professional Conduct, and the Global Investment Performance Standards (GIPS) — within the ethics and standards sections of cfainstitute.org
- Practical Skills Modules: [Practical Skills Modules](#)
- JS Insights — CFA and finance training: [JS Insights CFA training](#)

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