LEVEL I:
ADVANCED FINANCIAL MODELER (AFM)

SELECTED READINGS

The following is a list of selected readings that may be used as additional reference material for the Level 1: AFM exam. These readings are not mandatory and instead represent as supplemental resources to aid in exam preparation.

1. *Building Financial Models* by John Tija
   a. Chapter 1: A Financial Projection Model
   b. Chapter 2: Best Practices
   c. Chapter 3: Setting the Stage
   d. Chapter 4: Accounting for Modeling
   e. Chapter 5: The Model Building Toolbox: F Keys and Ranges
   f. Chapter 6: The Model Building Toolbox: Functions
   g. Chapter 7: Building a Pilot Model
   h. Chapter 8: Circular References and Iterative Calculations
   i. Chapter 9: Variations on Balancing Plugs
   j. Chapter 10: Preparing to Build a Full Model
   l. Chapter 12: The Cash Flow Statement
   m. Chapter 13: The Cash Sweep
   n. Chapter 15: Forecasting Guidelines
   o. Chapter 19: Tips and Tricks

2. *Crunch the Numbers – Accounting Fundamentals* by AdkinsMatchett&Toy
   a. Chapter 1: Introduction
   b. Chapter 2: Revenues and Costs
   c. Chapter 3: What is Working Capital?
   d. Chapter 4: What are Non-Current Assets?
   e. Chapter 5: The Sources of Funding
   f. Chapter 6: Organizing the Cash Flows

3. *Crunch the Numbers – Modeling* by AdkinsMatchett&Toy
   a. Chapter 1: Introduction
   b. Chapter 2: Modeling Basics
   c. Chapter 3: Setting up the Model Templates
   d. Chapter 4: Input Historical Numbers
   e. Chapter 5: Calculating Ratios and Building Assumptions
   f. Chapter 6: Projecting the Income Statement
   g. Chapter 7: Projecting the Balance Sheet
   h. Chapter 8: Balancing the Balance Sheet
   i. Chapter 9: Interest Income and Interest Expense

4. *Excel 2016 Bible* by Walkenbach
   a. Chapter 1: Introducing Excel
   b. Chapter 2: Entering and Editing Worksheet Data
c. Chapter 3: Essential Worksheet Operations
d. Chapter 4: Working with Cells and Ranges
e. Chapter 6: Worksheet Formatting
f. Chapter 7: Understanding Excel Files
g. Chapter 8: Using and Creating Templates
h. Chapter 9: Printing Your Work
i. Chapter 10: Introducing Formulas and Functions
j. Chapter 11: Creating Formulas That Manipulate Text
k. Chapter 12: Working with Dates and Times
l. Chapter 13: Creating Formulas That Count and Sum
m. Chapter 14: Creating Formulas That Look Up Values
n. Chapter 15: Creating Formulas for Financial Applications
o. Chapter 16: Miscellaneous Calculations
p. Chapter 24: Customizing the Excel User Interface
q. Chapter 25: Using Custom Number Formats
r. Chapter 27: Creating and Using Worksheet Outlines
s. Chapter 29: Excel and the Internet
t. Chapter 30: Protecting Your Work
u. Chapter 31: Making Your Worksheets Error Free
v. Appendix A: Worksheet Function Reference
w. Appendix B: Excel Shortcut Keys

5. **Financial Accounting: An Introduction to Concepts, Methods and Uses** by Schipper, Francis, Weil, Stickney
   a. Part 1: Overview of Financial Statements
   b. Part 2: Accounting Concepts and Methods
   c. Part 3: Measuring and Reporting Assets and Equities Using Generally Accepted Accounting Principles
   d. Part 4: Synthesis

6. **Financial and Managerial Accounting** by Warren, Reeve, Duchac
   a. Chapter 1: Introduction to Accounting and Business
   b. Chapter 2: Analyzing Transactions
   c. Chapter 3: The Adjusting Process
d. Chapter 4: Completing the Accounting Cycle
e. Chapter 5: Accounting for Merchandising Businesses
f. Chapter 6: Inventories
g. Chapter 8: Receivables
h. Chapter 9: Fixed Assets and Intangible Assets
i. Chapter 10: Current Liabilities and Payroll
j. Chapter 11: Corporations: Organization, Stock Transactions, and Dividends
k. Chapter 12: Long-term Liabilities: Bonds and Notes
l. Chapter 14: Statement of Cash Flows
m. Chapter 19: Cost Behaviour and Cost-Volume-Profit Analysis

7. **Financial Modeling and Valuation: A Practical Guide to Investment Banking and Private Equity** by Paul Pignataro
   a. Part One: Financial Statements and Projections

8. **Financial Modeling in Excel for Dummies** by Danielle Stein Fairhurst
   a. Chapter 1: Introducing Financial Modeling
   b. Chapter 2: Getting Acquainted with Excel
c. Chapter 3: Planning and Design Your Financial Model
d. Chapter 4: Building a Financial Model by the Rulebook
e. Chapter 5: Using Someone Else’s Financial Model
g. Chapter 7: Using Functions in Excel
h. Chapter 8: Applying Scenarios to Your Financial Model
i. Chapter 9: Charting and Presenting Model Output
j. Chapter 10: Building an Integrated Financial Statements Model
k. Chapter 12: Budgeting for Capital Expenditure and Depreciation
l. Chapter 13: Ten Strategies for Reducing Error
m. Chapter 14: Ten Common Pitfalls to Avoid


    a. Chapter 1: What is Financial Modeling
    b. Chapter 2: Building a Model
    c. Chapter 3: Best Practice Principles of Modeling
    d. Chapter 4: Financial Modeling Techniques
    e. Chapter 5: Using Excel in Financial Modeling
    f. Chapter 6: Functions for Financial Modeling
    g. Chapter 7: Tools for Model Display
    h. Chapter 8: Tools for Financial Modeling
    i. Chapter 9: Common Uses of Tools in Financial Modeling
    j. Chapter 10: Model Review
    k. Chapter 11: Stress-Testing, Scenarios and Sensitivity Analysis in Financial Modeling
    l. Chapter 12: Presenting Model Output