The Advanced Financial Modeler (AFM) Accreditation

About the Advanced Financial Modeler

Financial models have become the most important decision-making tool in finance. Financial modeling is a discipline that is a requirement for many positions, including investment banking, private equity, accounting, corporate strategy, and venture capital. As financial modelers are responsible for an organization's critical decision-making tools, their financial modeling knowledge and skills should be validated.

The Advanced Financial Modeler accreditation tests a candidate's proficiency in building 3-statement financial models. The AFM assesses skills in model design, comprehension of finance, business, accounting and Excel.

Demonstrate your superior modeling skills by building an integrated 3-statement model from scratch, within a fixed time allotment.

Exam dates: February 24, 2024 | May 11, 2024 | July 27, 2024 | October 26, 2024
Estimated time commitment: 25-75 hours

*Registrants will have access to the AFM Learning Materials for 12 months

Ian Schnoor, CFA, CFM

Executive Director of Financial Modeling Institute

For 20 years, Ian taught financial modeling to thousands of business professionals and university students around the world as founder of The Marquee Group (acquired by Training The Street in 2023).

Ian's time spent as an investment banker inspired him to create content to teach financial modeling in a new way. These professional and training experiences enabled Ian to create the learning resources for the Advanced Financial Modeler accreditation.

Ian is globally recognized as an expert in valuation modeling, Excel models, and corporate finance.

AFM Learning Resources

Candidates receive extensive learning materials to help in their preparation for the AFM Exam. This includes: Video Tutorial Series, Body of Knowledge, Skills Checklist, Sample Models, and Practice Exams.

CHAPTER 1 - GETTING STARTED
Approximately 1 Hour

This module provides an introduction to the discipline of financial modeling and the AFM Exam. By completing this module, you will understand:
- The need for and importance of financial models
- The attributes of a strong financial model
- How to plan a financial model
- The two approaches to tab structure
- How to design and layout your model clearly and logically

CHAPTER 2 - THE FRONT END
Approximately 2 Hours

This module covers the different sections in the "Front End" of a financial model. By completing this module, you will understand:
- How to build a cover page and why it is important
- Key attributes of an executive summary
- Important formatting concepts for models
- How to build scenarios for a financial model

CHAPTER 3 - REVENUES
Approximately 1 Hour

The revenues module covers how to forecast revenues and build a company's revenue schedule. By completing this module, you will understand:
- Various methodologies to forecast revenues
- How to build a revenue schedule
- How to incorporate capacity constraints in your revenue schedule

CHAPTER 4 - COSTS
Approximately 1 Hour 30 Minutes

The costs module covers how to forecast the different types of costs and build a company's cost schedule. By completing this module, you will understand:
- The correct way to forecast fixed, variable, and semi-variable costs
- The implications of operating leverage
- A methodology to create financial statements quickly and effectively

CHAPTER 5 - DEPRECIATION
Approximately 2 Hours

The depreciation module covers how to build a company's depreciation schedule. By completing this module, you will understand:
- Various methodologies to depreciate fixed assets
- How to structure and build a depreciation schedule
- Excel functions that allow you to work with Capex forecasts
- How to link the depreciation schedule outputs to your financial statements

CHAPTER 6 - INCOME TAX   Approximately 1 Hour

The income tax module covers how to build a company's income tax schedule. By completing this module, you will understand:
- Why it is important to build an effective income tax schedule
- The cause of deferred tax
- How to build an income tax schedule
- How to link the income tax schedule to your financial statements

CHAPTER 7 - WORKING CAPITAL   Approximately 1 Hour

The working capital module covers how to build a company's working capital schedule. By completing this module, you will understand:
- The differences between working capital and other assets and liabilities
- The various assumptions and calculations required to forecast working capital
- How to forecast working capital
- How to build a working capital schedule

CHAPTER 8 - CAPITAL STRUCTURE   Approximately 1 Hour 30 Minutes

The capital structure module covers the purpose of a debt and equity schedule, their components, and how they are built. By completing this module, you will understand:
- The common features of various types of debt and equity
- How to build a debt and equity schedule
- Why we model cash in the debt schedule
- Key considerations when modeling the revolver

CHAPTER 9 - FINANCIAL STATEMENTS   Approximately 1 Hour

The Financial Statements module covers how to build the three financial statements: Income Statement, Cash Flow Statement and Balance Sheet. By completing this module, you will understand.
- How to build an Income Statement
- How to build a Cash Flow Statement
- How to build a Balance Sheet

CHAPTER 10 - OUTPUTS AND TROUBLESHOOTING   Approximately 1 Hour

This section covers the steps to finalize your model: building outputs, troubleshoot errors and formatting for printing. By completing this module, you will understand:
- The most common reasons why the Balance Sheet doesn't balance
- How to build the Executive Summary
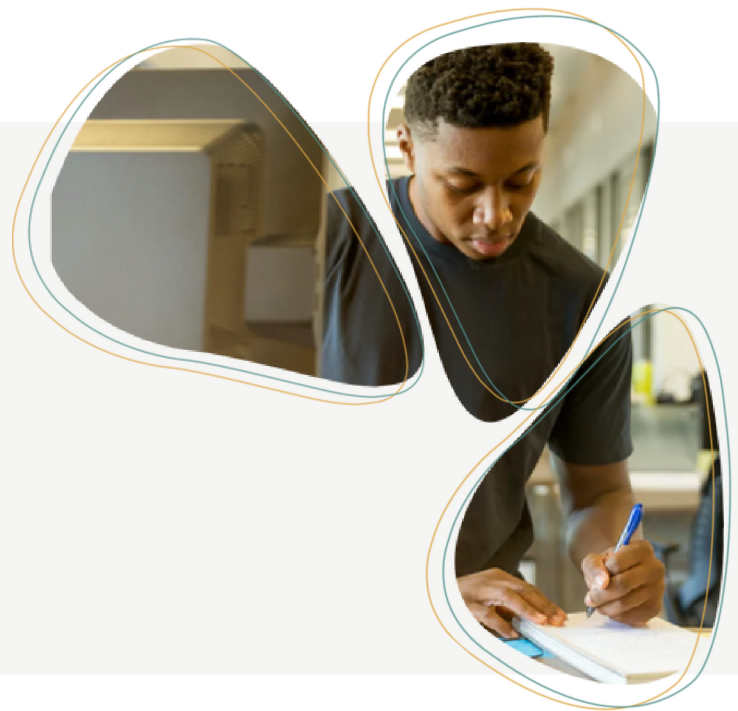- How to format your model for printing

The AFM Exam

- The AFM Exam is 4 hours, closed book, no multiple choice
- Candidates are provided with a case study and an Excel file with historical data
- Candidates are required to design and build a dynamic, best-in-class, three-statement financial model of a company from scratch while under time pressure

Virtual Exam Format

- Security and exam integrity through virtual proctoring platform
- Supervision of candidates throughout exam
- Onscreen activity recorded
- Unusual behaviour automatically flagged (AI)
- Rigorous, proctored exam unlike any other financial modeling exam

Candidates provide:

- Computer
- Excel
- Internet Connectivity
- Webcam, speakers, & microphone
- Quiet, distraction free space

After the Exam

- Rigorous grading process
- Awarded a digital verification badge
- Added to the FMI Candidate Directory
- Permitted to use "AFM" in signature and online
- Review calls with a grader and rewrites available for those who do not pass