



LEVEL 2

CHARTERED FINANCIAL MODELER (CFM)

Excellence in Financial Modeling

Earning the Level 2 Chartered Financial Modeler (CFM) demonstrates an advanced and thorough understanding of Financial Modeling, Financial Analysis and Advanced Excel. This level builds on the topics covered in the Level 1 exam.

For Professionals Who:

- Work closely with team leaders to provide financial modeling insights
- Ensure projects progress according to financial modeling best practices
- Use models to demonstrate the business case and “tell the story”

Body of Knowledge: Level 2 (CFM) Exam

During this 4-hour exam, candidates will complete 4 to 6 questions selected from the following list of complex modeling topics:

- **Revenue:** Create a detailed revenue schedule that considers allocations by division, geography, capacity constraints, currency issues
- **Operating Costs:** Create a detailed cost structure that includes tiered pricing on variable costs, multi-currency costing, semi-variable costs
- **Depreciation:** Incorporate accelerated depreciation, build functionality to prevent over-depreciation of assets
- **Working Capital:** Detailed inventory modeling, forecast Accounts Receivable and Accounts Payable in a monthly model
- **Income Tax:** Utilize cascading tax pools/tax losses, calculate earnings for a company in multiple jurisdictions including the impact of timing differences
- **Debt:** Build an advanced capital structure, incorporate multiple pieces of debt, model various debt types and covenants, sweeps, repayments and debt sculpting, incorporate refinancing switches
- **Equity:** Incorporate various concepts including convertibles, buybacks, options/warrants, tiered dividends, and dilutive instruments
- **Subsidiaries:** Calculate non-controlling interests and long-term investments
- **Model Automation:** Create a detailed and automated summary page
- **Timing Flexibility:** Automate modeling starting/ending dates, multiple timing periods in a model
- **Model Checking:** Audit various calculation, linking, and other errors in a model
- **Data Management:** Perform data management with large data sets
- **Sensitivity Analysis:** Prepare analysis to automatically sensitize model outputs



Eligible Candidates

- Must have completed Level 1 AFM

Suitable for Professionals in

- Accounting, Finance & Treasury
- Investment Banking & M&A
- Asset Management
- Actuarial Insurance & Risk
- Private Equity & Venture Capital
- Equities Research & Credit
- Budgeting, Forecasting & Operations

Key Details

- **Level 2:** Chartered Financial Modeler
- **Date:** Saturday 20th October 2018
- **Exam Duration:** 4 Hours
- **Location:** Global Testing Centres
- **Prior Work Experience:** None