

**ANALYST<sup>®</sup>**

# GLOBAL CERTIFICATION IN FINANCIAL ANALYSIS

**FINANCIAL**



CONNECT YOUR CAREER TO THE WORLD

**ACCREDITED**

**FINANCIAL RESEARCH**

**FUND MANAGEMENT**



## INTRODUCTION

Investment portfolios are becoming more complex, and there are more financial products available for trade. In addition, emerging markets throughout the world are providing new investment opportunities, which require expertise in geographic regions where those markets are located.

According to US Department of Labour the Employment of financial analysts is projected to grow 16 percent YOY from 2012 to 2022, faster than the average for all occupations. A growing range of financial products and the need for in-depth knowledge of geographic regions are expected to lead to strong employment growth.

The continued implementation of financial regulatory reform could constrict growth in the industry, as rule-making bodies place a greater emphasis on stability. Restrictions on trading by banks may shift employment of financial analysts from investment banks to hedge funds and private equity groups.

AFA® Certification has been extensively remodelled for India and is designed to equip you with skills and expertise to take Financial Analysis activities to the next level of professionalism as required by the industry.



## FINANCIAL ANALYST

Financial analysts, also known as securities analysts or investment analysts, analyze and provide guidance to businesses regarding investment opportunities. They help companies and non-profit institutions, including universities with large endowments, develop investment strategies that will yield a profitable return.



## WHAT FINANCIAL ANALYSTS DO ?

Financial Analysts conduct quantitative analyses of information affecting investment programs of public or private institutions. They assess the performance of stocks, bonds, and other types of investments. Thus they provide guidance to businesses and individuals making investment decisions.

Financial analysts use spreadsheet and statistical software packages to analyze financial data, spot trends, create portfolios, and develop forecasts. Analysts also use the data they find to measure the financial risks associated with making a particular investment decision. On the basis of their results, they recommend whether to buy, hold, or sell particular investments.



## AMERICAN ACADEMY OF FINANCIAL MANAGEMENT® (AAFM®, USA)

The American Academy of Financial Management™ is a worldwide Board of Standards and financial professional organization, with members in 151+ countries offering exclusive certified designations, charters, and masters certification to candidates who meet the high standards. The American Academy of Financial Management® is an independent and the only truly worldwide graduate financial organization for financial managers, analysts, planners, faculty, investment executives and counselors.

### MISSION

AAFM's mission is to serve its global membership and stakeholders as a world leader in educating and reinforcing the international knowledge of executives and potential leadership of financial based institutions. AAFM™ now has representative offices in the US World Trade Center N.O. Center, Hong Kong, Beijing, India, Dubai, Kuwait, Latin America and South America, Singapore, The Caribbean, Europe, and more.

### FAST FACTS

- ✓ Founded in the Year 1996 – 18 Years Old Organization
- ✓ 3,00,000 + Certificants Globally
- ✓ Member Presence in 151+ Countries, Offices in 17 Countries
- ✓ AAFM® works with more than 800 Universities worldwide.
- ✓ Global recognition agreement with AACSB and ACBSP Accreditation Agency
- ✓ Alliance with Arab Academy of Banking & Financial Services



## ABOUT AAFM INDIA

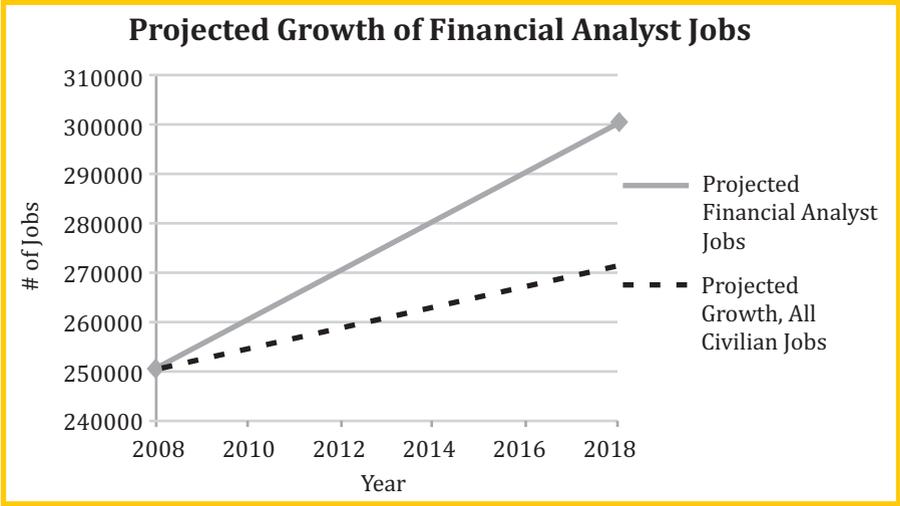
AAFM® has set up its Indian Chapter American Academy of Financial Management India Private Limited, AAFM India (AAFMI) as a Standard Setting Body in India with the objective to promote Wealth Management and Financial Advisory Standards in the country. AAFM India is responsible for establishing Curriculum Design, Certification of membership and licensing standards in India. AAFM India offers various Certifications, Designations and other Educational Programs offered by AAFM®.

AAFM India promotes Wealth Management and Financial Advisory Standards in the country by actively engaging with all the stake holders including the Government, Regulators, Educational Institutes, Training Providers, Financial Services Companies, Banks, etc.



# GROWTH IN FINANCIAL ANALYSIS INDUSTRY

According to the BLS, 250,600 financial analysts were employed in 2008. With the expected growth rate of 20% or higher, there will be an additional 49,600 new jobs for analysts from 2008-2018, an employment total of 300,300.



**The industries that employed the most financial analysts in 2012 were as follows:**

Securities, commodity contracts, and other financial investments and related activities	21%
Credit intermediation and related activities	13
Professional, scientific, and technical services	13
Management of companies and enterprises	12
Insurance carriers and related activities	8

According to the Bureau of Labor Statistics, financial analyst positions are expected to grow by 15.5 percent, or 39,300 jobs, between 2012 and 2022, much faster than the average for all professions. But competition for these jobs is fierce, especially among analysts new to the field. Financial analysts earned a median of \$76,950 in 2012, with the lowest-paid making \$47,130 and the highest-paid making \$148,430.

The **Accredited Financial Analyst® (AFA®)** designation serves as a benchmark of competency in the Finance Analysis & Research profession and is recognized as the leading credential in corporate worldwide. The Accredited Financial Analyst® Certificate Program is designed to develop the skills required by Financial Analysts, Research Analyst and Equity Analysts to execute critical functions related to Financial Statement Analysis, Corporate Finance, Equity Research, Investment Analysis and Financial Modelling. This Globally coveted Designation is offered by American Academy of Financial Management USA

The AFA® Certification Program provides the broad-based knowledge for professionals and students to emerge out as World Class Professionals in the domain of Financial Research & Analysis.

## AREA OF LEARNING INCLUDE:

- ✓ Interpret the effect of Global & Local Economic Environment on Financial Markets and Investments
- ✓ Analyse Financial Statements to find out the Financial Strengths and Weakness of a company using the various tools of Analysis.
- ✓ Monitor and control corporate exposure to financial and operational risks.
- ✓ Recognize corporate governance issues that arise from the separation of corporate ownership and control.
- ✓ Use statistical methods for the analysis of quantitative data and their application in a range of Financial Analysis Techniques.
- ✓ Describe and interpret the general features of fixed income securities and understand the basic operations of fixed income markets.
- ✓ Use basic interest rate derivatives like futures and options to manage risk and have general knowledge of other interest rate derivatives like FRA, interest rate swap, and credit default swap.
- ✓ Develop and employ theoretical valuation methods to price financial instruments including Alternative Investments.
- ✓ Apply Alternative Investment instruments in managing the risk of investing and hedging activity at the individual and the corporate level.
- ✓ Use discounted cash flow models to measure the impact of alternative investment strategies in order to formulate a strategy to maximize investment yield.
- ✓ An awareness of ethical, social and cultural issues within a global context and their importance in the exercise of professional skills and responsibilities as a Financial Analyst

## GLOBAL RECOGNITION



Learn



## CURRICULUM

The Curriculum of AFA® Consist of two levels:

**Level 1:** Foundation Level Consisting of 5 Units.

### Level 1 – Foundation Level

- Unit 1 : Introduction to Financial Markets
- Unit 2 : Quantitative Techniques and Methods
- Unit 3 : Financial Statement Analysis
- Unit 4 : Corporate Finance
- Unit 5 : Fixed Income Security Analysis

**Level 2:** Advanced Level Consisting of 5 Units.

### Level 2 – Advanced Level

- Unit 6 : Equity Valuation
- Unit 7 : Derivatives and Alternate Investments
- Unit 8 : Portfolio Management Strategies
- Unit 9 : Behavioural Finance
- Unit 10 : Advanced Financial Analysis



## EXAMINATION

Name of Examination	Duration	Units Covered	No. of Questions	Section A	Section B	Section C	Total Marks	Passing %
AFA_Level_1	115 Minutes	1 to 5	80	30 (1 Mark)	30 (2 Marks)	30 (4 Marks)	170	50%
AFA_Level_2	175 Minutes	6 to 10	90	40 (1 Mark)	30 (2 Marks)	20 (5 Marks)	200	50%

- ✓ No Negative Marking
- ✓ AFA® certification examination is conducted by Pearson Vue across their Examination Centres. AFA charter holders are required to adhere to a strict code of ethics and rules that governs both their professional and personal conduct.



## ENTRY REQUIREMENTS / ELIGIBILITY

- ✓ Graduate with recognized degrees / diplomas in Finance, Accounting, Economics, Business, etc.



## STUDY AND LEARNING RESOURCES

AFA® Candidates get access to our proprietary Study Material which is accessible online & offline (Optional at extra cost).

- ✓ The Registration Fee includes the online access to the AAFM's AFA Learning Management System™.
- ✓ Guided overviews for each module highlight key topics
- ✓ Assessments identify topics a participant already knows and those areas that require more time and attention
- ✓ More than 500 questions for continually testing knowledge and comprehension
- ✓ Features real-life case study scenarios and questions to apply your knowledge



## CAREER PROSPECTS

**Portfolio managers** supervise a team of analysts and select the mix of products, industries, and regions for their company's investment portfolio. These managers not only are responsible for the overall portfolio, but also are expected to explain investment decisions and strategies in meetings with investors.

**Fund managers** work exclusively with hedge funds or mutual funds. Both fund and portfolio managers frequently make split-second buy or sell decisions in reaction to quickly changing market conditions.

**Ratings analysts** evaluate the ability of companies or governments to pay their debts, including bonds. On the basis of their evaluation, a management team rates the risk of a company or government not being able to repay its bonds.

**Risk analysts** evaluate the risk in investment decisions and determine how to manage unpredictability and limit potential losses. This job is carried out by making investment decisions such as selecting dissimilar stocks or having a combination of stocks, bonds, and mutual funds in a portfolio.

**Some of the Designations which AFA® Designation Holder works at:**

- ✓ Corporate Financial Analyst
- ✓ Investment/Securities Analyst
- ✓ Financial Analyst
- ✓ Equity Analyst
- ✓ Senior Financial Analyst
- ✓ Portfolio Managers
- ✓ Fund Managers
- ✓ Chief Financial Officer





**CORPORATE MEMBERS**

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**INDIA** FINANCIAL  
MANAGEMENT

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