

## Test Objectives

### NISM-Series-X-B: Investment Adviser (Level 2) Certification Examination

#### Chapter 1: Understanding Securities Markets and Performance

- 1.1. Know the working of equity markets
- 1.2. Interpret key equity market indicators
- 1.3. Interpret risk and return from equity investing
- 1.4. Compare and contrast various tools and options in equity investing – direct, IPOs, Mutual funds and PMS
- 1.5. Know the working of debt markets
- 1.6. Understand debt market analytics and indicators
- 1.7. Understand risk and return in debt investing
- 1.8. Compare and contrast various debt products – saving schemes, bonds, deposits and debt mutual funds.
- 1.9. Understand derivative markets, products and strategies
- 1.10. Understand how derivatives can be used to hedge
- 1.11. Interpreting derivative indicators
- 1.12. Understand the structure of Foreign Exchange Market; difference between spot and forward exchange rates; settlement periods; effect of interest rates
- 1.13. Know calculation of forward exchange rates using: premiums and discounts; interest rate parity

#### Chapter 2: Knowing Operational Aspects of financial transactions

- 2.1. Know Investor types and the acquisition process
- 2.2. Learn about PAN, KYC and other processes
- 2.3. Know about the Demat and Remat processes
- 2.4. Learn about the PoA and other agreements
- 2.5. Understand the processes involved for account opening of NR investors
- 2.6. Consolidating, reorganising and folio-keeping
- 2.7. Understand the process flow in Special situations: minor turns major, NRI to RI and RI to NRI
- 2.8. Know the Operational aspects related to joint accounts, lien, nomination, transmission
- 2.9. Learn about the documentation required for financial advice

#### Chapter 3: Personal Financial Planning

- 3.1. Compute and interpret personal finance ratios

- 3.2. Understand cash flow analysis and determine surplus
- 3.3. Understand Budgetary mechanism for households
- 3.4. Understand contingency planning
- 3.5. Estimate financial goals

**Chapter 4: Comprehensive Financial Planning**

- 4.1. Understanding Leverage and debt counselling
- 4.2. Understand Interpretation of liquidity, investment and long-term needs
- 4.3. Learn about Prioritising and Financing the financial goals
- 4.4. Learn about Risk profiling and processes in financial planning
- 4.5. Evaluating insurance needs for life and general insurance
- 4.6. Evaluating choices in retirement planning
- 4.7. Create and interpret comprehensive financial planning solutions for the household

**Chapter 5: Product analysis and selection**

- 5.1. Understanding risk, return and portfolio construction principles
- 5.2. Learn about Return targets, risk profile and optimisation
- 5.3. Understand the impact of market cycles on asset allocation and product selection
- 5.4. Evaluate and select equity funds, debt funds and other funds
- 5.5. Attribute portfolio performance and evaluate the investment alternatives
- 5.6. Evaluate mutual fund portfolios for revisions and rebalancing
- 5.7. Understand and Interpret the impact of elements of macroeconomic policies on asset allocation
- 5.8. Interpret behavioural biases in decision making and portfolio management

**Chapter 6: Regulatory and Compliance Aspects**

- 6.1. Understand Disclosure requirements
- 6.2. Understand compliances related to transactions
- 6.3. Evaluate and document costing, taxation and procedures
- 6.4. Understand Regulation relating to insurance, pension and investment products
- 6.5. Understand Investor queries, grievance redressal, and service elements

**Chapter 7: Case studies in Comprehensive Financial Advice**

- 7.1. Understand practical aspects of providing financial advice through case studies