



# Certified Portfolio Manager Course Curriculum



# Modules

## Part I: Ethics

CFA Code of Ethics and Professional Conduct

## Part II: Quantitative Methods

Business Math Boot Camp  
Time Value of Money  
Statistics Essentials  
Understanding Uncertainty  
Portfolio Diversification  
Portfolio Risk  
Value-at-Risk  
Introduction to Performance Measurement  
Introduction to Monte Carlo Simulation  
Monte Carlo Simulation and VAR

## Part III: Financial Statement Analysis

Balance Sheet  
Income Statement  
Current Assets  
Long-Term Assets  
Liabilities and Equity  
Working Capital  
Income Statement Analysis  
Cash Flow Statement  
Cash Flow Analysis  
Ratio Analysis  
Introduction to Economic Profit  
Calculating Economic Profit

## Part IV: Corporate Finance

Introduction to Corporate Finance  
Capital Asset Pricing Model  
Cost of Capital  
Introduction to Capital Budgeting  
Capital Budgeting – Deriving the Cash Flows  
Capital Structure  
Dividend Policy

## Part V: Fixed Income

Introduction to Bonds  
Bond Yield  
Bond Duration  
Bond Price Sensitivity  
Treasury Inflation-Protected Securities (TIPS)  
Introduction to World Bond Markets

## Part VI: Equity

Introduction to Equity Valuation  
Equity Valuation - FCFF Model  
The Dividend Discount Model  
Fundamentals of Economic Indicators  
Introduction to World Equity Markets  
Technical Analysis  
Exchange Traded Funds

## Part VII: Derivatives

Introduction to Forwards and Futures  
Introduction to Swaps  
Interest Rate Swaps  
Currency Swaps  
Introduction to Options  
Introduction to Option Pricing Theory  
Tools for Evaluating Options

## Part VIII: Foreign Exchange

Introduction to Foreign Exchange  
Forward Foreign Exchange  
Barrier Options  
Vanilla Currency Options  
Hedging Currency Risk with Derivatives

## Part I: Ethics

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### CFA Code of Ethics and Professional Conduct

*Developed and delivered by The SS&C Learning Institute*

The CFA Institute Code of Ethics and Standards of Professional Conduct are fundamental to the values of CFA Institute and essential to achieving its mission to lead the investment profession globally by promoting the highest standards of ethics, education, and professional excellence for the ultimate benefit of society.

**Prerequisites:** None

**Estimated Course Time:** 1 hour

**Course Level:** Basic

**Lessons:**

- The Code of Ethics
  - Professionalism
  - Integrity of Capital Markets
  - Duties to Clients
  - Duties to Employers
  - Investment Analysis, Recommendations and Actions
  - Conflicts of Interest
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## Part II: Quantitative Methods

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### Business Math Boot Camp

*Developed and delivered by The SS&C Learning Institute*

Math Boot Camp will give you an overview of the basic math principles you need in the workplace, and demonstrate how mathematics can help you make better decisions.

**After completing this course, you will be able to:**

- ✓ Apply the technique of probabilistic modeling to real-life situations
- ✓ Utilize a decision tree to make a business decision
- ✓ Analyze numerical data using a variety of mathematical techniques
- ✓ Describe and apply the concepts underlying supply and demand curves
- ✓ Explain time value of money concepts including compounding and discounting

**Prerequisites:** None

**Estimated Course Time:** 7 hours

**Course Level:** Basic

**Lessons:**

- Probabilistic Modeling
- Expected Value
- Simple, Conditional, and Intersection Probabilities
- Odds
- Decision Trees
- Data Analysis: Mean, Median, Mode, and Variance
- Equation of a Line
- Regression Analysis
- Supply and Demand
- Revenue, Cost, and Profit
- Exponents and Logarithms
- Time Value of Money
- Compounding and Discounting
- Compound Interest

**Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 7
- AIB (American Institute of Banking) - 0.25

**Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Time Value of Money

*Developed and delivered by The SS&C Learning Institute*

Among the most primary concepts in finance is the time value of money: that a sum of money today (present value) is not worth the same amount tomorrow (future value). This course explains the mechanics of measuring and comparing present and future values.

**After completing this course, you will be able to:**

- ✓ Calculate present values from future values, and vice-versa
- ✓ Quantify the growth rate at which a present value becomes a future value
- ✓ Understand and apply the concepts of simple interest and compounding

**Prerequisites:** None

**Estimated Course Time:** 4 hours

**Course Level:** Basic

**Lessons:**

- What is Cash Flow
- Measuring Growth Over One Year
- Measuring Growth Over Two Years
- Measuring Growth Over Any Time Period
- From Future Value to Present Value
- Semi-Annual Compounding
- Compounding at Different Frequencies
- Converting Non-Annual to Annual Yields
- Converting Annual to Non-Annual Yields
- Continuous Compounding
- Simple Interest
- Compounding vs. Discounting

**Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 4
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 2
- CPCU (Chartered Property Casualty Underwriters) - 4
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 2

**Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Statistics Essentials

*Developed and delivered by The SS&C Learning Institute*

Business statistics informs business strategy. Professionals rely upon statistics to perform important analyses, improve business practices, analyze historical data, make predictions about the future, and devise strategies for enhancing performance. This course presents the fundamental principles and techniques of statistics, and shows how they are used to make informed business decisions.

***After completing this course, you will be able to:***

- ✓ Understand probability and probability distributions as a way to help describe and quantify the uncertainties that surround decision-making
- ✓ Estimate mean, standard deviation and other quantities using data
- ✓ Apply hypothesis testing and understand how to use its results
- ✓ Compare the performance of two populations using estimation and hypothesis testing techniques
- ✓ Use regression to account for factors including the state of the economy, the time of year, the presence of competitors, and price

***Prerequisites:*** None

***Estimated Course Time:*** 5 hours

***Course Level:*** Basic

***Lessons:***

- Describing a Variable
- Estimating with Data
- Hypothesis Testing
- Comparing Two Populations
- Regression

***Continuing Education / Continuing Professional Education Credits:***

- NYSBPA (New York State Board for Public Accountancy) - 5
- AIB (American Institute of Banking) - 0.25

***Additional Organizations that Recognize the Above Credits:***

- RFPI (Registered Financial Planners Institute)
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## Understanding Uncertainty

*Developed and delivered by The SS&C Learning Institute*

A background in the basic principles of uncertainty is essential to understanding all kinds of risk. This course presents an accessible introduction to the basic principles of statistics through interactive, engaging simulations. The real-life application of the principles is also explored.

**After completing this course, you will be able to:**

- ✓ Create and read a histogram
- ✓ Build a simple simulation to chart uncertain variables
- ✓ Understand why and how a normal distribution can be applied in real life

**Prerequisites:** None

**Estimated Course Time:** 2 hours

**Course Level:** Basic

**Lessons:**

- Creating a Histogram
- Reading the Histogram
- The Shape of a Single Spinner
- More Spins
- The Shape of Two Spinners
- Another Illustration
- Central Limit Theorem
- Normal Distribution
- Using the Normal Distribution

**Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 2
- PACE (Certified Life Underwriters and Chartered Financial Consultants) - 1
- CPCU (Chartered Property Casualty Underwriters) - 2
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 2

**Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Portfolio Diversification

*Developed and delivered by The SS&C Learning Institute*

This course explains the mechanics behind portfolio diversification, particularly how each element of a portfolio affects its overall risk.

### **After completing this course, you will be able to:**

- ✓ Chart how the volatility of individual securities affects the volatility of the portfolio
- ✓ Explain how correlations impacts portfolio risk
- ✓ Calculate the volatility of a two-security portfolio

**Prerequisites:** None

**Estimated Course Time:** 4 hours

**Course Level:** Intermediate

### **Lessons:**

- Volatility of Security Returns
- Correlation of Security Returns
- Plotting Correlation of Returns
- Shapes of Correlation Plots
- Correlation Plots for a Portfolio
- Correlation and Position
- Correlation and Risk
- Calculating Correlation
- Correlation Values
- Correlation Matrix of Returns
- Variance-Covariance Matrix
- Weight, Volatility, Correlation and Risk
- Correlation and Volatility
- Portfolio Diversification

### **Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 4
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 2
- CPCU (Chartered Property Casualty Underwriters) - 4
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 2

### **Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Portfolio Risk

*Developed and delivered by The SS&C Learning Institute*

Portfolio returns only gain real significance when the amount of risk taken to obtain those returns is considered. This course assesses risk by measuring the way portfolio returns have fluctuated over a holding period.

***After completing this course, you will be able to:***

- ✓ Use basic statistics to measure the risk of a portfolio
- ✓ Calculate the portfolio's volatility
- ✓ Understand the relationship between risk and return
- ✓ Calculate the portfolio's risk-adjusted performance

***Prerequisites:*** None

***Estimated Course Time:*** 3 hours

***Course Level:*** Intermediate

***Lessons:***

- Frequency Distribution of Portfolio Returns
- Frequency Distribution and Risk
- Volatility of Portfolio Returns
- Calculating Volatility
- Volatility and Sample Period
- Annualizing Volatility
- Risk vs. Return
- Risk-Adjusted Performance Measure

***Continuing Education / Continuing Professional Education Credits:***

- NYSBPA (New York State Board for Public Accountancy) - 3
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 1.5
- CPCU (Chartered Property Casualty Underwriters) - 3
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 2

***Additional Organizations that Recognize the Above Credits:***

- RFPI (Registered Financial Planners Institute)
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## Value-at-Risk

*Developed and delivered by The SS&C Learning Institute*

This course introduces Value-at-risk or VAR, a measure used by financial practitioners to quantify their exposure to loss.

**After completing this course, you will be able to:**

- ✓ Define VAR and explain how it used to quantify risk
- ✓ Calculate VAR
- ✓ Understand the factors that affect VAR
- ✓ Calculate VAR for options and understand the considerations made in doing so

**Prerequisites:**

The following courses:

- “Portfolio Risk”
- “Introduction to Options”

**Estimated Course Time:** 4 hours

**Course Level:** Advanced

**Lessons:**

- Capital Adequacy
- Value-at-Risk (VAR)
- Confidence Level
- Confidence Factor
- Calculating VAR
- Variables Affecting VAR
- Volatility, Average Return and VAR
- Confidence Level and VAR
- Holding Period and VAR
- Options and VAR
- Delta and VAR
- Gamma and VAR
- Limitations of VAR for Options

**Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 4
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 2
- CPCU (Chartered Property Casualty Underwriters) - 4
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 2

**Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Introduction to Performance Measurement

*Developed and delivered by The SS&C Learning Institute*

This course will present modern approaches to performance measurement.

***After completing this course, you will be able to:***

- ✓ Review the basic principles of performance measurement
- ✓ Describe three performance measurement techniques
- ✓ Apply performance measurement to typical case scenarios

***Prerequisites:*** None

***Estimated Course Time:*** 2 hours

***Course Level:*** Basic

***Lessons:***

- Introduction to Performance Measurement
- Three Approaches to Performance Measurement
- Case Studies in Performance Measurement

***Continuing Education / Continuing Professional Education Credits:***

- NYSBPA (New York State Board for Public Accountancy) - 2
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 2

***Additional Organizations that Recognize the Above Credits:***

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## **Introduction to Performance Measurement**

*Developed and delivered by The SS&C Learning Institute*

This course will present modern approaches to performance measurement.

### ***After completing this course, you will be able to:***

- ✓ Review the basic principles of performance measurement
- ✓ Describe three performance measurement techniques
- ✓ Apply performance measurement to typical case scenarios

***Prerequisites:*** None

***Estimated Course Time:*** 2 hours

***Course Level:*** Basic

### ***Lessons:***

- Introduction to Performance Measurement
- Three Approaches to Performance Measurement
- Case Studies in Performance Measurement

### ***Continuing Education / Continuing Professional Education Credits:***

- NYSBPA (New York State Board for Public Accountancy) - 2
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 2

### ***Additional Organizations that Recognize the Above Credits:***

- RFPI (Registered Financial Planners Institute)
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## Introduction to Monte Carlo Simulation

*Developed and delivered by The SS&C Learning Institute*

This course describes Monte Carlo simulation, a technique that uses random numbers to calculate possible future returns based on past experience.

### **After completing this course, you will be able to:**

- ✓ Define Monte Carlo simulation, and describe how it works
- ✓ Chart how a Monte Carlo path is generated for an individual security and for an option
- ✓ Explain what a Monte Carlo path represents

### **Prerequisites:**

The following courses:

- “Introduction to Options”
- “Portfolio Risk”

**Estimated Course Time:** 3 hours

**Course Level:** Advanced

### **Lessons:**

- How Does Monte Carlo Simulation Work?
- Generating a Path
- The Random Variable
- Probability Distribution of Random Variables
- Random Variable for a Portfolio
- Generating a Path for a Security
- Generating a Path for an Option
- Generating Many Paths
- Number of Paths in the Simulation

### **Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 3
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 1.5
- CPCU (Chartered Property Casualty Underwriters) - 3
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 2

### **Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Monte Carlo Simulation and VAR

*Developed and delivered by The SS&C Learning Institute*

This course explains how Monte Carlo simulation is used for computing VAR, particularly for complex portfolios and long holding periods.

### **After completing this course, you will be able to:**

- ✓ Explain how paths, or scenarios, are generated in a Monte Carlo simulation
- ✓ Construct a cumulative probability plot of the results
- ✓ Calculate VAR using a Monte Carlo simulation
- ✓ Understand the impact of correlation on a Monte Carlo simulation of a portfolio

### **Prerequisites:**

The following courses:

- “Portfolio Diversification”
- “Portfolio Risk”
- “Value-at-Risk”

**Estimated Course Time:** 4 hours

**Course Level:** Advanced

### **Lessons:**

- What is Monte Carlo Simulation?
- How Does Monte Carlo Simulation Work?
- Monte Carlo Simulation Results
- Generating Paths
- Cumulative Probability Plot
- Cumulative Probability Plot and VAR
- Calculating VAR for Options Using Simulation
- Monte Carlo Simulation and Options
- Simulation and Correlation
- Simulation for a Portfolio
- Advantages of Monte Carlo Simulation

### **Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 4
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 2
- CPCU (Chartered Property Casualty Underwriters) - 4
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 2

### **Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Part III: Financial Statement Analysis

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### The Balance Sheet

*Developed and delivered by The SS&C Learning Institute*

This course will introduce you to one of accounting's fundamental documents, the balance sheet. You will learn how to read, create and maintain a balance sheet. You will also learn how a balance sheet works with other financial statements and how it fits into the annual report.

**After completing this course, you will be able to:**

- ✓ Understand the role of accounting and its guiding principles
- ✓ Create a simple balance sheet
- ✓ Read and analyze a balance sheet

**Prerequisites:** None

**Estimated Course Time:** 4 hours

**Course Level:** Basic

**Lessons:**

- Why Accounting?
- How Analysts Use Accounting
- The Annual Report
- Financial Statements
- The Balance Sheet
- Parts of a Balance Sheet
- Assets: The Resources Side of the Balance Sheet
- Liabilities: The Funding Side of the Balance Sheet
- Equity: Paid-in-Capital
- Equity: Retained Earnings
- Liabilities, Equity and Risk
- Balancing the Balance Sheet
- Building a Balance Sheet
- Multiple Entry Bookkeeping
- Types of Assets
- Types of Liabilities
- The Original Cost Concept
- Reading a Balance Sheet
- Journal Entries: Debits and Credits

**Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 3
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 3
- CPCU (Chartered Property Casualty Underwriters) - 3

**Additional Organizations that Recognize the Above Credits:**

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## Income Statement

*Developed and delivered by The SS&C Learning Institute*

This course will introduce you to the income statement and start to explore its links to the balance sheet. You will learn about the different income statement accounts, what they mean and where they come from.

**After completing this course, you will be able to:**

- ✓ Read and analyze a simple income statement
- ✓ Understand how to match revenues to expenses
- ✓ Distinguish between different income statement accounts
- ✓ Relate the income statement to the balance sheet

**Prerequisites:** None

**Estimated Course Time:** 4 hours

**Course Level:** Intermediate

**Lessons:**

- What is the Income Statement?
- Parts of the Income Statement
- Net Income = Retained Earnings
- Revenues: Total Sales Do No Always Equal Total Cash
- Revenues Affect Accounts Receivable
- Revenues: When Do We Record Sales?
- Expenses: COGS and SG&A
- Matching Revenues to Expenses
- Some Expenses Don't Match Revenue
- Expenses Don't Always Equal Cash Costs
- COGS and Inventory
- 'Other' Income Statement Accounts
- Interest Income and Interest Expense

**Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 3
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 2
- CPCU (Chartered Property Casualty Underwriters) - 3

**Additional Organizations that Recognize the Above Credits:**

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## Current Assets

*Developed and delivered by The SS&C Learning Institute*

This course will take you through the current assets section of the balance sheet. You will learn to identify different accounts and their relevance to a company's financial status. You will also learn how different companies deal with inventory, one of the key accounts in current assets.

### **After completing this course, you will be able to:**

- ✓ Understand and identify an entity's current assets accounts
- ✓ Compare different inventory accounting methods
- ✓ Evaluate a company's inventory valuation method
- ✓ Identify criteria for good inventory management

### **Prerequisites:**

The following courses:

- "The Balance Sheet"
- "The Income Statement"

**Estimated Course Time:** 4 hours

**Course Level:** Intermediate

### **Lessons:**

- Where are Current Assets?
- Cash and Cash Equivalents
- Accounts Receivable: Bad Debts
- Bad Debt Allowance: A Type of Contra Account
- Keeping Accounts Receivable Low
- Receivable Days Ratio Inventories
- Simple Inventory Accounting
- Complex Inventory Accounting
- Three Ways to Value Inventory
- Prepaid Expenses
- Prepaid Expenses
- Other Current Assets

### **Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 3
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 3
- CPCU (Chartered Property Casualty Underwriters) - 3

### **Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Long Term Assets

*Developed and delivered by The SS&C Learning Institute*

This course will take you through the long-term assets section of the balance sheet. You will learn what defines a long-term asset and the different kinds of long-term assets.

### **After completing this course, you will be able to:**

- ✓ Identify long-term assets and place them on a balance sheet
- ✓ Calculate depreciation using various methods
- ✓ Compare and analyze different depreciation methods

### **Prerequisites:**

The following courses:

- “The Balance Sheet”
- “The Income Statement”

**Estimated Course Time:** 4 hours

**Course Level:** Intermediate

### **Lessons:**

- Welcome
- PPE
- Depreciation of PPE
- Age of assets
- Accounting for depreciation
- Calculating depreciation
- Straight line depreciation
- Accelerated depreciation
- Where Does Depreciation Go on the Income Statement
- Selling long-term assets 1
- Selling long-term assets 2
- Goodwill
- 
- Other intangible assets
- Investments another intangible
- Investments When You Own a Controlling Interest

### **Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 3
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 2
- CPCU (Chartered Property Casualty Underwriters) - 3

### **Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Liabilities and Equity

*Developed and delivered by The SS&C Learning Institute*

This course takes a detailed look at the liabilities and equity section of the balance sheet. You will learn to identify and compare the way businesses fund their operations.

### **After completing this course, you will be able to:**

- ✓ Understand the funding options available to a business
- ✓ Distinguish between short-term and long-term liabilities
- ✓ Understand how equity accounts are identified on the balance sheet
- ✓ Identify and compare payout ratios

### **Prerequisites:**

The following courses:

- “The Balance Sheet”
- “The Income Statement”

**Estimated Course Time:** 4 hours

**Course Level:** Intermediate

### **Lessons:**

- Liabilities and Equity
- Accounts Payable
- Accrued Expenses
- Short-Term Debt
- Long-Term Debt
- Debt Equals Funding
- Equity
- Shares: Issued and Outstanding
- Other Long-term Liabilities
- Common Stock and APIC
- Treasury Stock
- Payout Ratio

### **Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 3
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 3
- CPCU (Chartered Property Casualty Underwriters) - 3

### **Additional Organizations that Recognize the Above Credits:**

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## Working Capital

*Developed and delivered by The SS&C Learning Institute*

This course will introduce you to working capital and operating working capital, two numbers that are very interesting to financial analysts. You will learn how to calculate working capital and operating capital and what the difference between the two means. You will also learn how financial analysts use these figures to analyze the financial status of a company.

**After completing this course, you will be able to:**

- ✓ Understand the analytical importance of measuring working capital
- ✓ Compare working capital figures across industries
- ✓ Understand the factors affecting working capital

**Prerequisites:**

The following courses:

- “The Balance Sheet”
- “The Income Statement”

**Estimated Course Time:** 2 hours

**Course Level:** Intermediate

**Lessons:**

- Working Capital
- Positive Working Capital
- How Analysts Use Working Capital
- Operating Working Capital
- OWC as a Percentage of Sales
- Negative OWC
- Estimating Level of OWC

**Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 3
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 3
- CPCU (Chartered Property Casualty Underwriters) - 3

**Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Income Statement Analysis

*Developed and delivered by The SS&C Learning Institute*

This course will take you further into the income statement and its various accounts. You will learn about the difference between accounting for taxes and for shareholders. You will also be introduced to using ratios to analyze and compare companies.

### **After completing this course, you will be able to:**

- ✓ Measure gross profit and operating profit
- ✓ Measure gross margin and operating margin
- ✓ Estimate a firm's average cost of debt
- ✓ Understand the basics of tax accounting

### **Prerequisites:**

The following courses:

- "The Balance Sheet"
- "The Income Statement"

**Estimated Course Time:** 4 hours

**Course Level:** Intermediate

### **Lessons:**

- Income Statement Analysis
- More About Revenues
- Gross Profit
- Operating Profit
- Gross Margin
- Operating Margin
- Interest Income and Expense
- "Other" Income Statement Accounts
- Extraordinary Items
- EBIT
- Tax vs. GAAP
- Tax Paid vs. Tax Expensed
- Paying Taxes Later
- Deferred Tax Liability
- Deferred Tax Asset
- Effective Tax Rate

### **Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 3
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 3
- CPCU (Chartered Property Casualty Underwriters) - 3

### **Additional Organizations that Recognize the Above Credits:**

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## Cash Flow Statement

*Developed and delivered by The SS&C Learning Institute*

This course will introduce you to the different sections of the cash flow statement. You will learn why financial analysts are interested in the cash flow statement and how to compile a cash flow statement. In addition, we will introduce you to projected financial statements and calculations based on those.

### **After completing this course, you will be able to:**

- ✓ Understand the function of the cash flow statement
- ✓ Construct a simple cash flow statement
- ✓ Create a projected cash flow statement to measure an entity's future financial results

### **Prerequisites:**

The following courses:

- “The Balance Sheet”
- “The Income Statement”

**Estimated Course Time:** 4 hours

**Course Level:** Intermediate

### **Lessons:**

- Why Focus on Cash?
- The Cash Account
- Cash Flow statement: A Summary
- It All Adds Up
- Non-Cash Accounts
- Cash From Operating Activities
- Calculating Cash Flow From Operations
- Accounting for Non-Operating Cash Flows in Cash Income
- Cash From Investing Activities
- Calculating True Cash Flows for Investments
- Cash From Financing Activities
- Calculating Cash From Flow Financing Activities
- Deferred Tax Liability
- Putting It All Together

### **Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 3
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 3
- CPCU (Chartered Property Casualty Underwriters) - 3

### **Additional Organizations that Recognize the Above Credits:**

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## Cash Flow Analysis

*Developed and delivered by The SS&C Learning Institute*

This course will introduce you to free cash flow and net internal cash flow, methods of cash flow analysis which give a better indication of a company's financial health than simply looking at earnings, the cash flow statement, or EBITDA.

**After completing this course, you will be able to:**

- ✓ Understand the limitations of the cash flow statement when compared to cash flow analysis
- ✓ Calculate free cash flow and understand its implications
- ✓ Calculate net internal cash flow and understand its implications
- ✓ Use two different calculations for EBITDA, while understanding its limitations

**Prerequisites:**

The following courses:

- "Balance Sheet"
- "Income Statement"
- "Cash Flow Statement"

**Estimated Course Time:** 3 hours, 30 minutes

**Course Level:** Intermediate

**Lessons:**

- Introduction to Cash Flow Analysis
- Calculating Free Cash Flow
- Calculating Net Internal Cash Flow
- EBITDA and Other Measures of Cash Flow

**Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 4
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 3.5

**Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Ratio Analysis

*Developed and delivered by The SS&C Learning Institute*

This course will give you a more in-depth look at how financial analysts use ratios to analyze and compare companies. We will calculate and then use various ratios that indicate the financial status of a company.

***After completing this course, you will be able to:***

- ✓ Understand the ways a firm can try to maximize its shareholder value
- ✓ Measure profitability using return on equity
- ✓ Calculate a firm's payable days ratio and leverage ratio, and measure its current assets efficiency

***Prerequisites:***

The following courses:

- *"The Balance Sheet"*
- *"The Income Statement"*
- *"Cash Flow Statement"*

***Estimated Course Time:*** 4 hours

***Course Level:*** Intermediate

***Lessons:***

- Shareholder Value
- Profitability: Return on Equity (ROE)
- Increasing Return on Equity
- Capital Efficiency: Funding Assets Costs Money
- Capital Efficiency: Keeping Fixed Assets Up-to-Date
- Current Assets Efficiency
- Current Liabilities
- Financial Management: Debt and Shareholder Value
- Financial Management: Consequences of Debt Funding
- Financial Management: Leverage Ratio
- Interest Payments and Risk Assessments

***Continuing Education / Continuing Professional Education Credits:***

- NYSBPA (New York State Board for Public Accountancy) - 3
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 3
- CPCU (Chartered Property Casualty Underwriters) - 3

***Additional Organizations that Recognize the Above Credits:***

- RFPI (Registered Financial Planners Institute)
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## Introduction to Economic Profit

*Developed and delivered by The SS&C Learning Institute*

Corporate managers are charged with using all of their firm's resources for the greatest benefit to the firm. This means that the primary objective of every managerial decision should be to maximize the value of the firm. In practice true firm value is hard to measure and therefore difficult to maximize. Recently, economic profit has gained prominence as a decision tool that improves upon traditional performance measure in capturing overall firm value.

### **After completing this course, you will be able to:**

- ✓ Understand how financial statements can overstate net earnings
- ✓ Explain the shortcomings of EPS, ROA and ROE
- ✓ Calculate the costs of equity, debt and capital
- ✓ Interpret the economic profit calculated for a company

**Prerequisites:** None

**Estimated Course Time:** 3 hours

**Course Level:** Basic

### **Lessons:**

- Accounting Profit
- Net Earnings
- Earnings Per Share
- Return on Equity
- Return on Assets
- Economic Profit
- Cost of Capital
- Cost of Debt
- Equity Risk Premium
- Beta
- Cost of Equity
- Calculating WACC
- WACC and Economic Profit
- Calculating Economic Profit
- Applying Economic Profit

### **Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 3
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 1.5
- CPCU (Chartered Property Casualty Underwriters) - 3
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) – 3

### **Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Calculating Economic Profit

*Developed and delivered by The SS&C Learning Institute*

Business and investment managers are constantly searching for tools that will enhance their ability to make decisions. Economic profit has been heralded as simple to communicate and superior to traditional performance measures in measuring true firm value. This course explains that financial statement items are particularly important in deriving economic profit and shows how the economic profit is calculated.

### **After completing this course, you will be able to:**

- ✓ Identify the types of adjustments required to calculate economic profit
- ✓ Determine the most common and important economic profit adjustments
- ✓ Calculate economic profit
- ✓ Interpret economic profit calculations to determine whether a firm is creating or destroying value in a given period as well as across time

**Prerequisites:** None

**Estimated Course Time:** 4 hours

**Course Level:** Basic

### **Lessons:**

- Accounting vs. Economic Profit
- Economic Profit Equation
- Economic Profit Adjustments
- An Economic Profit View of Financial Statements
- Capital and NOPAT
- Intangible Expenses
- Income Tax Reserve
- LIFO Reserve
- Other Forms of Financing
- Capitalization of Future Operating Leases
- Adjustments and Future Operating Leases
- Tax Benefit on Interest Expense
- Calculating Economic Profit
- Considerations for Economic Profit Analysis
- Adding Value Over Time

### **Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 4
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 2
- CPCU (Chartered Property Casualty Underwriters) - 4
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 2

### **Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Part IV: Corporate Finance

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### Introduction to Corporate Finance

*Developed and delivered by The SS&C Learning Institute*

This course introduces corporate financial theory and principles, which both inform and guide capital budgeting, capital structure and dividend decisions.

#### **After completing this course, you will be able to:**

- ✓ Evaluate the assumptions underlying corporate financial theory
- ✓ Explain the efficient market theory and why stock price is considered a reasonable measure of firm value
- ✓ Identify various firm stakeholders and how their interests often conflict

**Prerequisites:** None

**Estimated Course Time:** 2 hours

**Course Level:** Basic

#### **Lessons:**

- The Objective of Corporate Finance
- What is Corporate Finance?
- The Efficiency of Financial Markets
- Stock Price as a Measure of Value
- Firm Stakeholders
- Conflicts Among Firm Stakeholders
- The Financial Picture of a Firm
- Measuring Firm Value
- Decision-Making in Corporate Finance

#### **Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 2
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 1
- CPCU (Chartered Property Casualty Underwriters) - 2
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 2

#### **Additional Organizations that Recognize the Above Credits:**

- RFPPI (Registered Financial Planners Institute)
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## Capital Asset Pricing Model

*Developed and delivered by The SS&C Learning Institute*

This course defines the concept of risk as it is used in finance and demonstrates how practitioners attempt to quantify risk to better understand their stock investors' expectations. In the eyes of the firm, this risk implies a critical cost that figures into key financial decisions.

**After completing this course, you will be able to:**

- ✓ Translate market risk into expected return using the Capital Asset Pricing Model
- ✓ Calculate the cost of equity
- ✓ Calculate beta and explain how it measures market risk

**Prerequisites:** None

**Estimated Course Time:** 4 hours

**Course Level:** Intermediate

**Lessons:**

- What is Risk?
- Measuring Risk
- The Risk-Free Rate
- The Risk Premium
- Diversification and Risk
- The Capital Asset Pricing Model
- Beta
- Beta and Regression
- Calculating Beta
- Beta and Risk
- Determinants of Beta
- Beta and Leverage
- Building a Company Beta
- Expected Return or the Cost of Equity

**Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 4
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 2
- CPCU (Chartered Property Casualty Underwriters) - 4
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 4.5

**Additional Organizations that Recognize the Above Credits:**

- RFPPI (Registered Financial Planners Institute)
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## Cost of Capital

*Developed and delivered by The SS&C Learning Institute*

The cost of capital, a measure of the composite cost of raising money, is an important consideration in finance. It is most commonly used as a hurdle rate in the capital budgeting process, in which resource allocation decisions are made. This course illustrates how to calculate the cost of capital and shows the importance of the inputs used in estimating each component cost.

### **After completing this course, you will be able to:**

- ✓ Apply the Capital Asset Pricing Model to find an expected return for an investment
- ✓ Estimate the company's cost of debt
- ✓ Calculate the firm's cost of capital
- ✓ Use the cost of capital as a discount rate to value the firm

**Prerequisites:** None

**Estimated Course Time:** 4 hours

**Course Level:** Intermediate

### **Lessons:**

- What is Risk?
- The Capital Asset Pricing Model
- Beta
- Beta and Risk
- The Cost of Equity
- Debt Risk
- Interest Coverage Ratio
- The Cost of Debt
- Market Value of Equity and Debt
- Cost of Capital
- Cost of Capital as Discount Rate

### **Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 4
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 2
- CPCU (Chartered Property Casualty Underwriters) - 4
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 4.5

### **Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Introduction to Capital Budgeting

*Developed and delivered by The SS&C Learning Institute*

Sensible allocation of limited corporate resources requires an understanding of risk and return and how the measurement of each affects project choice. This course will present a variety of capital budgeting tools used to evaluate potential given projects.

### **After completing this course, you will be able to:**

- ✓ Estimate the cost of capital for a proposed project, by calculating its components: the hurdle rate, the cost of equity and the cost of debt
- ✓ Use the cost of capital as the discount rate to arrive at a project's net present value
- ✓ Determine a project's internal rate of return
- ✓ Employ various capital budgeting decision rules to determine whether a project is worthwhile

### **Prerequisites:**

The following courses:

- "Introduction to Corporate Finance"
- "Cost of Capital"

**Estimated Course Time:** 4 hours

**Course Level:** Intermediate

### **Lessons:**

- What is a Project?
- The Hurdle Rate
- The Cost of Equity
- The Cost of Debt
- The Cost of Capital
- Calculating Return on Capital
- Return on Capital Decision Rule
- Project NPV
- The NPV Decision Rule
- Internal Rate of Return
- The IRR Decision Rule
- Investment Decision Rules – Summary

### **Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 4
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 2
- CPCU (Chartered Property Casualty Underwriters) - 4
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 4.5

### **Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Capital Budgeting - Deriving the Cash Flows

*Developed and delivered by The SS&C Learning Institute*

Corporations use different methodologies for determining whether they will invest in proposed projects. This course details two widely-used capital budgeting approaches--net present value and internal rate of return--and illustrates how to derive the cash flows needed for such analyses.

### **After completing this course, you will be able to:**

- ✓ Understand the advantages of cash flow-based analyses over other capital budgeting approaches
- ✓ Understand which cash flows should be considered in the analysis and how to handle such items as sunk costs, opportunity costs and salvage value
- ✓ Estimate the terminal value of a project that has an infinite life

### **Prerequisites:**

The following courses:

- "Time Value of Money"
- "Introduction to Corporate Finance"
- "Introduction to Capital Budgeting"

**Estimated Course Time:** 4 hours

**Course Level:** Intermediate

### **Lessons:**

- Cash Flow-Based Analysis
- Project: A Disney Theme Park
- Project Evaluation - Projections
- Calculating Project Income
- Deriving Cash Flows from Income
- Sunk Costs
- Opportunity Costs
- Cash Flows and Project Lifetime
- Terminal Value
- Salvage Value
- Discounted Cash Flows: NPV
- Internal Rate of Return
- NPV and IRR: A Comparison

### **Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 4
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 2
- CPCU (Chartered Property Casualty Underwriters) - 4
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 4.5

### **Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Capital Structure

*Developed and delivered by The SS&C Learning Institute*

Among the most important decisions in corporate finance is the proportion of debt and equity, which will be used to finance projects. This course shows how to determine the optimal debt/equity mix for a company and illustrates the implications of adopting that mix.

### **After completing this course, you will be able to:**

- ✓ Identify the basic elements of a firm's capital structure
- ✓ Estimate how financing costs change as the financing mix changes
- ✓ Find the optimal financing mix and explain why it is considered optimal
- ✓ Understand factors affecting a firm's ability or desire to adopt the optimal financing mix

### **Prerequisites:**

The following courses in:

- "Cost of Capital"
- "Capital Budgeting -- Deriving the Cash Flows"

**Estimated Course Time:** 4 hours

**Course Level:** Advanced

### **Lessons:**

- Financing Choices
- The Financing Mix
- Cost of Equity, Beta and Leverage
- Cost of Equity at Different Financing Mixes
- Cost of Equity -- Summary
- Cost of Debt and the Interest Coverage Ratio
- Cost of Debt at Different Financing Mixes
- Cost of Debt -- Summary
- The Optimal Financing Mix
- Optimal Financing Mix and Project Value
- Analyzing the Financing Mix
- What Is the Optimal Debt Ratio Optimal?
- Designing Debt

### **Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 4
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 2
- CPCU (Chartered Property Casualty Underwriters) - 4
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 4.5

### **Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Dividend Policy

*Developed and delivered by The SS&C Learning Institute*

As a firm generates cash flows from operations, it must decide how to use the cash in the best interests of the shareholders. This course explores the factors and considerations that go into this process, also known as the dividend decision, and provides a framework for analyzing the amount (if any) paid out.

**After completing this course, you will be able to:**

- ✓ Understand the factors that influence a corporation's dividend decision
- ✓ Calculate the amount a company can afford to pay out in the form of a dividend
- ✓ Analyze the dividend amount actually paid out by a company
- ✓ Compare and contrast dividends with stock repurchases

**Prerequisites:** None

**Estimated Course Time:** 4 hours

**Course Level:** Intermediate

**Lessons:**

- The Dividend Decision
- Cash Dividends
- The Taxation of Dividends
- Dividend Yield
- Payout Ratio
- How Much Can a Firm Afford to Pay?
- Setting Dividend Policy
- Dividend Policy Life Cycle
- Analyzing Dividend Policy
- A Dividend Matrix
- Alternatives to Dividends

**Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 4
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 2
- CPCU (Chartered Property Casualty Underwriters) - 4
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 2

**Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Part V: Fixed Income

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### Introduction to Bonds

*Developed and delivered by The SS&C Learning Institute*

This course introduces bonds and basic bond concepts including accrued interest and bond price calculations.

**After completing this course, you will be able to:**

- ✓ Understand how bonds are quoted, traded and priced
- ✓ Calculate accrued interest and invoice price
- ✓ Distinguish between bills, STRIPS and bonds

**Prerequisites:** None

**Estimated Course Time:** 4 hours

**Course Level:** Basic

**Lessons:**

- Buying a Bond
- Important Bond Dates
- Bond Cash Flows
- Accrued Interest
- Computing Accrued Interest
- Day Count Fraction
- Quoting Bond Prices
- Calculating Invoice Price
- US Treasury Bills
- US Treasury STRIPS
- Identifying the Bond (CUSIP)
- Reconstituting a Bond
- Liquidity of Stripped Cash Flows

**Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 4
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 2
- CPCU (Chartered Property Casualty Underwriters) - 4
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 4

**Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Bond Yield

*Developed and delivered by The SS&C Learning Institute*

This course applies the principles of yield, also known as the general method used for determining average rate of growth of value, to the specific case of bonds.

***After completing this course, you will be able to:***

- ✓ Chart bond yield for four different scenarios
- ✓ Calculate yield on US Treasury STRIPS and T-bills
- ✓ Compare the value of various fixed income instruments

***Prerequisites:*** None

***Estimated Course Time:*** 5 hours

***Course Level:*** Intermediate

***Lessons:***

- Calculating Yield
- Yield On STRIPS
- Bill Yield
- Bond Equivalent Yield
- Comparing Yields

***Continuing Education / Continuing Professional Education Credits:***

- NYSBPA (New York State Board for Public Accountancy) - 5
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 2.5
- CPCU (Chartered Property Casualty Underwriters) - 5
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 5

***Additional Organizations that Recognize the Above Credits:***

- RFPI (Registered Financial Planners Institute)
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## Bond Duration

*Developed and delivered by The SS&C Learning Institute*

This course explains how duration is used to measure different types of risk, including market risk and reinvestment risk, which affect the volatility of bonds.

***After completing this course, you will be able to:***

- ✓ Relate a bond's exposure to reinvestment risk and market risk
- ✓ Understand the concept of duration as a bond's immunizing point
- ✓ Compute duration
- ✓ Identify and explain the factors affecting duration

***Prerequisites:*** None

***Estimated Course Time:*** 3 hours

***Course Level:*** Intermediate

***Lessons:***

- Reinvestment Risk
- Market Risk
- Investment Horizon and Market Rate Changes
- Immunization to Changes in Market Rates
- Summary
- Duration
- Computing Duration
- Factors Affecting Bond Duration
- Computing Duration of a US Treasury Security
- Duration and Interest Payments on a Bond

***Continuing Education / Continuing Professional Education Credits:***

- NYSBPA (New York State Board for Public Accountancy) - 3
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 1.5
- CPCU (Chartered Property Casualty Underwriters) - 3
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 3

***Additional Organizations that Recognize the Above Credits:***

- RFPI (Registered Financial Planners Institute)
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## Bond Price Sensitivity

*Developed and delivered by The SS&C Learning Institute*

This course instructs how, in addition to duration, bond investors can use other methods, such as DV01, convexity and modified duration, to measure a bond's risk.

### **After completing this course, you will be able to:**

- ✓ Calculate DV01 for a single bond and a portfolio of bonds
- ✓ Group, or "bucket," risk using DV01
- ✓ Understand and apply the concept of convexity to a bond portfolio
- ✓ Calculate modified duration
- ✓ Recognize the limitations of duration and convexity

### **Prerequisites:**

The following courses:

- "Introduction to Bonds"
- "Bond Duration"

**Estimated Course Time:** 4 hours

**Course Level:** Advanced

### **Lessons:**

- DV01
- Calculating DV01
- DV01 and Duration
- Using DV01
- DV01 of a Portfolio
- Shifts in Yield Curves
- Bucketing Risk Using DV01
- DV01 and Yield Changes
- Convexity
- The Price of Convexity
- Portfolio Convexity
- Modified Duration
- Limitations of Duration and Convexity

### **Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 4
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 2
- CPCU (Chartered Property Casualty Underwriters) - 4
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 2

### **Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Treasury Inflation-Protected Securities (TIPS)

*Developed and delivered by The SS&C Learning Institute*

This course introduces Treasury Inflation Protected Securities, or TIPS, which were designed to protect investors from inflation as well as lower the Treasury's borrowing costs.

### **After completing this course, you will be able to:**

- ✓ Define a TIPS security, and describe how it works
- ✓ Calculate yield for a TIPS security

### **Prerequisites:**

The following courses:

- "Introduction to Bonds"
- "Bond Yield"

**Estimated Course Time:** 3 hours

**Course Level:** Intermediate

### **Lessons:**

- Inflation and Fixed-Rate Bonds
- Real and Nominal Dollars
- How TIPS Work
- CPI-U
- Inflation Ratio
- Invoice Price
- Inflation and Bond Yield
- TIPS Yield
- Comparing Real and Nominal Rates

### **Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 3
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 1.5
- CPCU (Chartered Property Casualty Underwriters) - 3
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 1.5

### **Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Introduction to World Bond Markets

*Developed and delivered by The SS&C Learning Institute*

This course is designed to review the key characteristics of bond markets outside of the United States. It provides an overview of the instruments traded and discusses the primary features and functionality of two segments that dominate the market: government bonds and Eurobonds.

***After completing this course, you will be able to:***

- ✓ Identify the key players in world bond markets and understand the geography of their trades
- ✓ Differentiate between the types of bonds that are actively traded around the world
- ✓ Discuss the primary features and functionality of government bond markets in seven different countries
- ✓ Understand the attraction and basic mechanics of the Eurobond market

***Prerequisites:*** None

***Estimated Course Time:*** 4 hours

***Course Level:*** Intermediate

***Lessons:***

- Market Overview
- Government Bond Markets: The United Kingdom
- Government Bond Markets: International Abstracts
- Eurobond Market

***Continuing Education / Continuing Professional Education Credits:***

- NYSBPA (New York State Board for Public Accountancy) - 3
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 3.5

***Additional Organizations that Recognize the Above Credits:***

- RFPI (Registered Financial Planners Institute)
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## Part VI: Equity

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### Introduction to Equity Valuation

*Developed and delivered by The SS&C Learning Institute*

This course introduces valuation techniques that investors use to determine whether stocks are fairly priced.

**After completing this course, you will be able to:**

- ✓ Distinguish between the two basic approaches to valuation
- ✓ Estimate firm value by discounting Free Cash Flow to the Firm
- ✓ Calculate three common ratios used in relative valuation: Price/Earnings, Price/Book Value and Price/Sales
- ✓ Determine whether a firm is cheap or expensive using relative valuation techniques

**Prerequisites:**

The following courses:

- “Time Value of Money”
- “Cost of Capital”

**Estimated Course Time:** 4 hours

**Course Level:** Basic

**Lessons:**

- Valuation Approaches
- Discounted Cash Flow Valuation
- Discounting Free Cash Flow to the Firm
- Estimating Value Per Share
- Relative Valuation
- Price/Earnings Ratio
- Price/Book Value Ratio
- Price/Sales Ratio
- The Use of Comparables
- Companion Variables
- Over- vs. Undervaluation

**Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 4
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 2
- CPCU (Chartered Property Casualty Underwriters) - 4
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 4

**Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Equity Valuation -- FCFF Model

*Developed and delivered by The SS&C Learning Institute*

This course profiles the FCFF Model and details the means for discounting Free Cash Flow to the Firm to estimate the value of a company.

### **After completing this course you will be able to:**

- ✓ Build valid projections of cash flows for a business
- ✓ Use those projections in the FCFF model to value a company
- ✓ Determine the degree to which a firm is under- or overvalued

### **Prerequisites:**

The following courses:

- “Time Value of Money”
- “Cost of Capital”

**Estimated Course Time:** 4 hours

**Course Level:** Intermediate

### **Lessons:**

- Equity Valuation
- Discounting Free Cash Flow to the Firm
- Growth Patterns
- Estimating Growth Patterns
- Applying the FCFF Model
- Forecasting Growth
- Estimating Future Income
- Growth and Reinvestment
- Free Cash Flow to the Firm
- Cost of Capital
- Valuing the Firm in Stable Growth
- Discounting Free Cash Flow to the Firm
- Estimating Value Per Share

### **Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 4
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 2
- CPCU (Chartered Property Casualty Underwriters) - 4
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 2

### **Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## The Dividend Discount Model

*Developed and delivered by The SS&C Learning Institute*

This course introduces the most popular equity valuation model, the Dividend Discount Model (DDM), and shows how to apply it to different investment scenarios.

### **After completing this course you will be able to:**

- ✓ Build valid projections of a firm's future dividends
- ✓ Use those projections in various forms of the DDM to value a company
- ✓ Determine the degree to which a firm is under- or overvalued

### **Prerequisites:**

The following courses:

- "Time Value of Money"
- "Capital Asset Pricing Model"

**Estimated Course Time:** 4 hours

**Course Level:** Intermediate

### **Lessons:**

- Equity Valuation
- Dividend Discount Model
- The DDM and Short-term Holding Periods
- Indefinite Holding Periods
- Estimating Growth Patterns
- Constant Growth Model
- Using the DDM with Multiple-Stage Growth Models
- Estimating Earnings
- Growth and Reinvestment
- Estimating Dividends
- Estimating Cost of Equity
- Value of Dividends Beyond Analysis Period

Estimating Value

- Dividend Discount Model Summary

### **Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 4
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 2
- CPCU (Chartered Property Casualty Underwriters) - 4
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 2

### **Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Fundamentals of Economic Indicators

*Developed and delivered by The SS&C Learning Institute*

Through the use of economic indicators, the economy becomes a more defined and ordered space. This course profiles several U.S. economic indicators included in reports published regularly by various government agencies.

### **After completing this course, you will be able to:**

- ✓ Define, interpret and discuss how indicators affect the stock and bond markets
- ✓ Understand the relationship between indicators and the Federal Reserve
- ✓ Detail how the Federal Reserve curbs recessionary and inflationary pressures

**Prerequisites:** None

**Estimated Course Time:** 4 hours

**Course Level:** Basic

### **Lessons:**

- Features of Economic Indicators
- Gross Domestic Product
- Personal Income & Personal Outlays
- Retail Sales
- Advance Durable Goods
- Housing Starts
- International Trade
- Employment Situation
- Industrial Production & Capacity Utilization Rate
- The Manufacturing NAPM Report on Business
- Indicators and Investing
- Inflation Indices
- Consumer Price Index
- Producer Price Index
- CPI, PPI and GDP Deflator Compared
- Employment Cost Index
- Indicators & The Federal Reserve
- Recessionary Pressures
- Full Capacity & Inflationary Pressures

### **Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 4
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 2
- CPCU (Chartered Property Casualty Underwriters) - 4
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 2

### **Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Introduction to World Equity Markets

*Developed and delivered by The SS&C Learning Institute*

This course is designed to review the key characteristics of equity markets outside of the United States. It provides an overview of the most commonly traded instruments, from ordinary shares to international equity to depositary receipts, and discusses the ways in which they are issued and traded in markets around the world. This course is part of the equity and finance basics curriculums. Banking and research analysts as well as brokers and private bankers can take this course to understand better the most important equity markets, in which the products that they deal with are likely to be part of.

***After completing this course, you will be able to:***

- ✓ Differentiate between the types of equity instruments that are actively traded in world markets
- ✓ Understand common ways in which shares are issued
- ✓ Identify key features of secondary markets in Europe, Asia, and emerging market countries

***Prerequisites:*** None

***Estimated Course Time:*** 4 hours

***Course Level:*** Intermediate

***Lessons:***

- Basic Instruments
- Depositary Receipts
- New Issues
- Secondary Markets

***Continuing Education / Continuing Professional Education Credits:***

- NYSBPA (New York State Board for Public Accountancy) -3
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 4

***Additional Organizations that Recognize the Above Credits:***

- RFPI (Registered Financial Planners Institute)
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## Technical Analysis

*Developed and delivered by The SS&C Learning Institute*

This course examines how to evaluate market price and volume data in order to uncover technical patterns and to predict future price behavior. It includes an overview of the key price patterns and indicators used by technical analysts today, and the tactics by which analysts convert market data into more profitable trading practices.

***After completing this course, you will be able to:***

- ✓ Define technical analysis and its methodology
- ✓ Identify and use basic price and volume charting techniques
- ✓ Develop techniques for applying basic technical indicators

***Prerequisites:*** None

***Estimated Course Time:*** 3 hours

***Course Level:*** Basic

***Lessons:***

- Tools and Terminology
- Price Patterns
- Indicators

***Continuing Education / Continuing Professional Education Credits:***

- NYSBPA (New York State Board for Public Accountancy) - 4
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 2
- CPCU (Chartered Property Casualty Underwriters) - 4
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 3

***Additional Organizations that Recognize the Above Credits:***

- RFPI (Registered Financial Planners Institute)
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## Exchange Traded Funds

*Developed and delivered by The SS&C Learning Institute*

Exchange Traded Funds (ETFs) are an investment option that is rapidly growing in popularity, but how these funds function is not yet well understood. This course provides an introduction to ETFs, then provides information on execution including common tools and best practices used by investors when buying and selling.

***After completing this course, you will be able to:***

- ✓ Describe how ETFs work
- ✓ Identify the benefits of ETFs
- ✓ Compare ETFs with mutual funds
- ✓ Describe the role of ETFs in a portfolio
- ✓ Define the creation/redemption of ETFs and the process
- ✓ Explain the concept of a bid/ask spread
- ✓ Describe premiums/discounts on ETFs
- ✓ Describe the buying/selling process of ETFs

***Prerequisites:*** None

***Estimated Course Time:*** 1 hour

***Course Level:*** Intermediate

***Lessons:***

- ETF Basics
- Benefits of ETFs
- ETF vs Mutual Fund
- ETFs in your portfolio
- The Creation and Redemption Process
- Bid/Ask Spreads
- Buying and Selling an ETF

***Continuing Education / Continuing Professional Education Credits:***

- NYSBPA (New York State Board for Public Accountancy) -1
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 1

***Additional Organizations that Recognize the Above Credits:***

- RFPI (Registered Financial Planners Institute)
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## Part VII: Derivatives

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### Introduction to Forwards and Futures

*Developed and delivered by The SS&C Learning Institute*

With both forwards and futures, counterparties agree to exchange an asset on a future date at a specific price determined today. This course explains the similarities and differences between forwards and futures contracts, and illustrates their basic components.

**After completing this course, you will be able to:**

- ✓ Describe the basic elements and mechanics of a forward transaction
- ✓ Determine what triggers a margin call and calculate the amount of margin required
- ✓ Explain how futures are used for speculative, hedging and arbitrage purposes

**Prerequisites:** None

**Estimated Course Time:** 4 hours

**Course Level:** Intermediate

**Lessons:**

- Forward Transactions
- Spot vs. Forward Transactions
- Long and Short Forwards
- Cost of Carry
- Futures Transactions
- Trading Futures Contracts
- Margin
- Settlement and Delivery
- Uses of Futures
- Futures for Arbitrage
- Basis
- Futures for Hedging
- Roll Over

**Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 4
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 2
- CPCU (Chartered Property Casualty Underwriters) - 4
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 4.5

**Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Introduction to Swaps

*Developed and delivered by The SS&C Learning Institute*

Swap transactions, in which one set of cash flows is exchanged for another, represent one of the cornerstones of derivatives trading. This course covers three types of swaps -- the interest rate swap, the currency swap and the asset swap -- and discusses their applications.

### **After completing this course, you will be able to:**

- ✓ Explain the motivation behind each type of swap transaction
- ✓ Identify the elements common and unique to interest rate, currency and asset swaps
- ✓ Discuss sources of risk inherent in swap transactions

### **Prerequisites:**

The following course:

- “Time Value of Money”

**Estimated Course Time:** 3 hours

**Course Level:** Intermediate

### **Lessons:**

- What is a Swap?
- Elements of a Swap
- Coupon Exchange
- Interest Rate Swaps
- Currency Swaps
- Asset Swaps
- Valuing Swaps
- Risk in Swaps
- Swap Rates and Credit Quality

### **Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 3
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 1.5
- CPCU (Chartered Property Casualty Underwriters) - 3
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 3

### **Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Interest Rate Swaps

*Developed and delivered by The SS&C Learning Institute*

An interest rate swap is a popular derivative transaction that consists of an exchange of coupons, typically a fixed rate for a floating rate. This course outlines how interest rate swaps are valued as well as how a dealer determines the price to charge the other counterparty.

### **After completing this course you will be able to:**

- ✓ Calculate the coupon payments for an interest rate swap
- ✓ Price an interest rate swap by calculating the present values of the fixed and floating sides
- ✓ Derive a fixed rate for an interest rate swap

### **Prerequisites:**

The following courses:

- “Introduction to Swaps”
- “Time Value of Money”

**Estimated Course Time:** 4 hours

**Course Level:** Intermediate

### **Lessons:**

- Interest Rate Swaps
- Interest Rate Swap Rates
- Coupon Exchange
- Using Swap Rates
- Valuing Interest Rate Swaps
- Pricing Interest Rate Swaps
- Interest Rate Swap Example
- Fixed Side Present Value
- Floating Side Present Value
- Calculating Book Open P/L
- Derivation of a Fixed Rate
- Floating Side Present Value
- Fixed Side Present Value
- Fixed Rate

### **Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 3
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 1.5
- CPCU (Chartered Property Casualty Underwriters) - 3
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 2

### **Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Currency Swaps

*Developed and delivered by The SS&C Learning Institute*

A currency swap is a popular derivative transaction that consists of an exchange of future cash flows in different currencies. This course outlines how currency swaps are valued and shows how a dealer determines the price to charge the other counterparty.

### **After completing this course you will be able to:**

- ✓ Calculate the coupon payments for a currency swap
- ✓ Price a currency swap by calculating the present values of the fixed and floating sides

### **Prerequisites:**

The following courses:

- “Introduction to Swaps”
- “Time Value of Money”
- “Introduction to Foreign Exchange”

Or equivalent understanding of the context and motivation for swaps, present value concepts, and fundamentals of foreign exchange markets.

**Estimated Course Time:** 3 hours

**Course Level:** Intermediate

### **Lessons:**

- Currency Swaps
- Currency Swap Rates
- Coupon Exchange
- Valuing Currency Swaps
- Pricing Currency Swaps
- Currency Swap Example
- Calculating the Fixed Side Present Value
- Calculating the Floating Side Present Value
- Calculating Book Open P/L

### **Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 3
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 1.5
- CPCU (Chartered Property Casualty Underwriters) - 3
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 1.5

### **Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Introduction to Options

*Developed and delivered by The SS&C Learning Institute*

An option is a contract offering the right, but not the obligation, to buy or sell an asset at a predetermined price. Options are the prototypical derivative product. This course introduces options and explains how investors use them to implement various investment strategies.

**After completing this course, you will be able to:**

- ✓ Describe what options are, how they work, and why they are used
- ✓ Determine the nature of the potential payoffs and inherent risks associated with basic option positions
- ✓ Discuss the mechanics of various popular option strategies

**Prerequisites:** None

**Estimated Course Time:** 4 hours

**Course Level:** Intermediate

**Lessons:**

- What is an Option?
- Buying an Asset
- The Right to Buy an Asset
- Selling an Asset
- The Right to Sell an Asset
- Positions in Options
- Why Trade Options?
- In, At- and Out-of-the-Money
- Options Strategies
- Call Spread
- Put Spread
- Straddle
- Strangle
- Synthetic Forward

**Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 5
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 2.5
- CPCU (Chartered Property Casualty Underwriters) - 5
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 4

**Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Introduction to Option Pricing Theory

*Developed and delivered by The SS&C Learning Institute*

This course explains how probability and statistics techniques are employed to determine the value of an option--the future price of its underlying asset.

### **After completing this course, you will be able to:**

- ✓ Calculate the theoretical value of an option using a binomial tree
- ✓ Use basic statistics to estimate option value
- ✓ Discuss how the characteristics of an option affect its value
- ✓ Calculate the impact of volatility on an option
- ✓ Calculate the intrinsic value and time value of an option

**Prerequisites:** None

**Estimated Course Time:** 5 hours

**Course Level:** Intermediate

### **Lessons:**

- Theoretical Value
- The Binomial Tree Model
- The Probability Distribution Curve
- Mean and Standard Deviation
- Binomial Tree and Options
- Binomial Tree and Option Value
- Variables in Option Pricing
- Type of Option
- Maturity
- Spot and Strike Prices
- Volatility
- Interest Rates
- Summary
- Option Value Curve
- Intrinsic Value
- Time Value
- Time Value Decay
- Time Value and Volatility

### **Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 4
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 2
- CPCU (Chartered Property Casualty Underwriters) - 4
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 5

### **Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Tools for Evaluating Options

*Developed and delivered by The SS&C Learning Institute*

Given the uncertainty surrounding option pricing, quantifying and managing the risk of an option is crucial. This course examines the factors that affect the price of an option, and then shows how to isolate them in order to fully assess risk.

### **After completing this course, you will be able to:**

- ✓ Calculate the intrinsic value and time value of an option
- ✓ Measure the effects of theta, delta, gamma and vega

### **Prerequisites:**

The following courses:

- “Introduction to Options”
- “Introduction to Option Pricing Theory”

**Estimated Course Time:** 4 hours

**Course Level:** Advanced

### **Lessons:**

- Option Value Curve
- Intrinsic Value
- Time Value
- Time Value Decay
- Time Value and Volatility
- Diagnostic Tools
- Theta
- Theta vs. Time
- Delta
- Delta vs. Time
- Gamma
- Gamma vs. Time
- Vega

### **Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 3
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 2
- CPCU (Chartered Property Casualty Underwriters) - 4
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 4

### **Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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# Part VIII: Foreign Exchange

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## Introduction to Foreign Exchange

*Developed and delivered by The SS&C Learning Institute*

The foreign exchange market represents the largest, most liquid market in the world today, operating over-the-counter around the clock. This course offers an explanation of currency exchanges, necessary for anyone concerned with financial markets in the 21st century.

### **After completing this course, you will be able to:**

- ✓ Define and understand spot rates
- ✓ Convert currencies from/to US dollars
- ✓ Calculate cross rates
- ✓ Understand the importance of the bid/offer spread

**Prerequisites:** None

**Estimated Course Time:** 4 hours

**Course Level:** Intermediate

### **Lessons:**

- Spot Rates
- Rates Quoted Against the US Dollar
- FX Conversions from US Dollars
- FX Conversions into US Dollars
- Rates Quoted in US Dollars
- FX Conversions from US Dollars
- FX Conversions into US Dollars
- Cross Rates
- Calculating Cross Rates
- Bid/Offer Spread

### **Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 4
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 2
- CPCU (Chartered Property Casualty Underwriters) - 4
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 2

### **Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Forward Foreign Exchange

*Developed and delivered by The SS&C Learning Institute*

This course demonstrates how you can use the forward rate to lock in the exchange rate for a specified future date, eliminating the risk that the currency market will move against you. It explains how forward exchange rates are calculated, and shows some examples of how forward foreign exchange contracts are used in today's marketplace.

### **After completing this course, you will be able to**

- ✓ Understand the principle of Interest Rate Parity
- ✓ Calculate forward rates
- ✓ Understand the various ways forward rates are quoted
- ✓ Use forward foreign exchange contracts for a variety of purposes, including hedging investment positions, speculation, and arbitrage opportunities

### **Prerequisites:**

The following courses:

- *“Introduction to Foreign Exchange”*
- *“Time Value of Money”*

**Estimated Course Time:** 4 hours

**Course Level:** Intermediate

### **Lessons:**

- Forward FX Rates
- Interest Rate Parity
- Calculating Forward Rates
- Using Bid/Offer Quotes
- Quoting Forward Rates
- Premiums and Discounts
- Points
- Applying Forward FX
- Commercial Covering
- Hedging Investment Positions
- Speculation
- Covered Interest Arbitrage

### **Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 4
- PACE (Certified Life Underwriters & Chartered Financial Consultants) - 2
- CPCU (Chartered Property Casualty Underwriters) - 4
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 2

### **Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Barrier Options

*Developed and delivered by The SS&C Learning Institute*

This course introduces the essential features of simple barrier currency options including directional trading and hedging applications, comparisons with OTC vanilla currency options, and intuitive valuation. Lesson 1 explores regular knock-outs and knock-ins. Lesson 2 covers reverse knock-outs and knock-ins.

### **After completing this course, you will be able to:**

- ✓ Understand the features of single barrier options in the OTC currency markets
- ✓ Compare the benefits and disadvantages of single barrier options to OTC vanilla currency options
- ✓ Apply single barrier options to simple directional currency trading and hedging situations

### **Prerequisites:**

The following courses:

- “Introduction to Forwards and Futures”
- “Introduction to Swaps”

**Estimated Course Time:** 2 hours

**Course Level:** Advanced

### **Lessons:**

- Regular Barrier Options
- Reverse Barrier Options

### **Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 3
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 2

### **Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Vanilla Currency Options

*Developed and delivered by The SS&C Learning Institute*

This course introduces the over-the-counter vanilla currency option. It explains basic option concepts and terminology and steps through the option life cycle. It explores directional trading and hedging applications, comparing payouts with the underlying foreign exchange instruments, and introducing elements that underpin option pricing and valuation.

**After completing this course, you will be able to:**

- ✓ Describe the features, benefits, and disadvantages of vanilla currency options
- ✓ Explain how vanilla currency options are applied in hedging
- ✓ Explain how vanilla currency options are applied in directional trading
- ✓ Apply the mechanics underpinning vanilla currency option pricing and valuation

**Prerequisites:**

The following courses:

- “Introduction to Forwards and Futures”
- “Introduction to Swaps”

**Estimated Course Time:** 2 hours, 30 minutes

**Course Level:** Advanced

**Lessons:**

- Vanilla Currency Option Basics
- Vanilla Currency Option Applications
- Pricing Vanilla Currency Options

**Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 3
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 2

**Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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## Hedging Currency Risk with Derivatives

*Developed and delivered by The SS&C Learning Institute*

This course examines currency risk and compares alternative hedging strategies using forward contracts and over-the-counter currency options. It also explores techniques for reducing protective premium costs through the use of structured hedges involving vanilla and barrier options.

### **After completing this course, you will be able to:**

- ✓ Understand the fundamental concepts of currency risk and hedging
- ✓ Discuss the rationale and motivation of currency hedgers
- ✓ Differentiate between the P/L characteristics and the protection afforded by forwards and five different option-based strategies

### **Prerequisites:**

The following courses experience:

- “Introduction to Forwards and Futures”
- “Introduction to Swaps”

**Estimated Course Time:** 4 hours

**Course Level:** Advanced

### **Lessons:**

- Introduction to Currency Hedging
- Reducing Protective Premium Costs

### **Continuing Education / Continuing Professional Education Credits:**

- NYSBPA (New York State Board for Public Accountancy) - 4
- IMCA (Certified Investment Management Analyst and Certified Investment Management Consultant) - 2

### **Additional Organizations that Recognize the Above Credits:**

- RFPI (Registered Financial Planners Institute)
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