



# Chartered Financial Modeler Candidate Handbook



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# Chartered Financial Modeler (CFM) Accreditation

**The Chartered Financial Modeler (CFM) accreditation is the only credential based on real-world financial modeling challenges.**

The CFM program is the second level accreditation within FMI.

Whereas the AFM exam tests a candidate's ability to construct all the components of a financial model in order to create a three-statement model, the CFM exam goes much deeper into areas of modeling that are required in intensive modeling roles.

The CFM exam requires a high level of problem solving, systematic thinking, and abstraction. Candidates are required to apply their knowledge in novel ways in order to solve the exam questions.

During the CFM exam, candidates are provided with three challenging questions and are required to answer two of the three questions. The questions are drawn from the 12 topics in the CFM Body of Knowledge.

The CFM exam is offered online annually in October.

## CFM Exam Information

2025 exam date: October 25, 2025

2026 exam date: October 24, 2026

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Exam is proctored, online, with a 4-hour limit

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Registrants have access to the CFM learning materials up until their exam date.

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Estimated time commitment to prepare for the CFM accreditation exam: 75 - 120 hours

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Candidates are eligible to sit the CFM accreditation exam in the year that they register OR the following calendar year.

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# Preparing for the CFM Exam

**Upon registering for the CFM accreditation, candidates will receive access to the CFM learning resources which can be found in the FMI Community.**

CFM learning resources include case studies, worksheet files and solution files. Please note, while video tutorials are available for some CFM curriculum topics, unlike the AFM program, video tutorials are not available for every topic. The best way to prepare for the CFM exam is to review and recreate all prior CFM exam questions. The prior CFM exam questions are captured in the CFM Exam Index document.

Since the CFM exam is focused on problem solving, the specific questions that will be tested on the CFM exam are not limited to the examples provided in the CFM Exam Index document. The CFM Exam Index document will be updated every year to include the case questions and solutions that were included in the prior year's CFM exam.

## Learning Resources include:

CFM Body of Knowledge

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CFM Exam Index - a summary of the available questions and solution files from all previous CFM exams.

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Sample exams

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1-hour Q&A session with FMI to address questions prior to the CFM exam






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# CFM Exam

The CFM accreditation exam is offered online annually in October.

- The CFM exam is 4-hours; closed book; no multiple choice
- Candidates are provided with three case studies and required to answer two of the three questions
- The three questions are drawn from three of the 12 topics in the CFM Body of Knowledge
- The CFM exam uses virtual proctoring software
- Candidates are supervised throughout the exam; onscreen activity is recorded

## Candidates provide:

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

# After the CFM Exam

- Grading is completed by CFM accreditation holders and takes approximately 10 weeks
- Upon passing the CFM exam, successful candidates receive a digital badge to showcase and validate their exceptional financial modeling skills
- Those who achieve the CFM designation can use the letters “CFM” in their signature and social media pages online
- Those who pass the CFM exam will have their accreditation acknowledged in FMI's Directory of Accreditation Holders



# CFM Topics

## TOPIC 1 - REVENUES

Considering factors like divisional allocations, geography, currency, capacity constraints, operational changes, and contingent revenue.

## TOPIC 2 - OPERATING AND NON OPERATING COSTS

Candidates may be asked to build a cost schedule, considering issues like economies of scale, multi-currency costing, and semi-variable costs.

## TOPIC 3 - CAPEX AND DEPRECIATION

Candidates may be asked to build a depreciation schedule, considering different methodologies, purchases, disposals, and fully depreciating assets.

## TOPIC 4 - WORKING CAPITAL

Candidates may need to create a working capital schedule, considering issues like inventory continuity and monthly or quarterly working capital.

## TOPIC 5 - INCOME TAX

Candidates may be asked to build a tax schedule, considering factors like tax losses, tax loss continuity, tax depreciation, multiple jurisdictions, and effective tax rates.

## TOPIC 6 - DEBT

Candidates may model aspects of this, including various debt features, covenants, debt sculpting, and refinancing.

## TOPIC 7 - EQUITY

Candidates should track common and preferred equity balances, dividends, and retained earnings. They may also model other equity issues like issuances, buybacks, dilutive securities, and tiered equity returns.

## TOPIC 8 - M&A / SUBSIDIARIES

Subsidiaries may be covered, including non-controlling interest, equity method investments, and long-term investments.

## TOPIC 9 - SENSITIVITY ANALYSIS & SUMMARY

Creating an easy-to-interpret summary page and automating it to show results of multiple scenarios. Candidates must know how to build a dynamic summary page.

## TOPIC 10 - TIMING FLEXIBILITY

Candidates may be asked to create automated timing switches for product launches, financing transactions, and other key issues.

## TOPIC 11 - MODEL CHECKING

Efficiently finding and correcting errors in a financial model is a critical skill. Candidates must use Excel techniques to identify and fix errors without third-party tools and include checks within the model.

## TOPIC 12 - DATA MANAGEMENT

Financial modelers should manage large datasets for trend analysis and assumptions. Candidates may be given data to extract information using Excel tools and formulas.



# CFM Exam Questions by Date and Topic

DATE	TOPIC	DATE	TOPIC
<b>October 2023</b>	06 - Debt 09 - Sensitivity Analysis & Summary Automation 12 - Data Management	<b>October 2022</b>	04 - Working Capital 05 - Income Tax 08 - M&A/Subsidiaries
<b>May 2022</b>	03 - CAPEX and Depreciation 06 - Debt 11 - Model Checking	<b>October 2021</b>	01 - Revenues 04 - Working Capital 10 - Timing Flexibility
<b>April 2021</b>	01 - Revenues 06 - Debt 08 - M&A/Subsidiaries	<b>October 2020</b>	02 - Operating and Non-Operating Costs 03 - CAPEX and Depreciation 06 - Debt
<b>October 2019</b>	02 - Operating and Non-Operating Costs 04 - Working Capital 06 - Debt 10 - Timing Flexibility	<b>April 2019</b>	02 - Operating and Non-Operating Costs 04 - Working Capital 06 - Debt 11 - Model Checking
<b>October 2018</b>	05 - Income Tax 06 - Debt 11 - Model Checking 12 - Data Management	<b>Sample Exams</b>	03 - CAPEX and Depreciation 07 - Equity

# CFM Sample Question

Streamwise Ltd.

Topic 6: Debt – October 2018 Exam

Streamwise Ltd. is considering its debt financing options for the next six months. The company is concerned that it may breach the Interest Coverage Ratio (“ICR”) covenant under its current Senior Secured Credit Facilities (the “Facilities”). Use the following information and the accompanying spreadsheet (“CaseData”) to complete the tasks and answer the questions listed below.

## Existing Facilities:

- The Facilities are comprised of a Revolver and a Senior Secured Term Loan
- Interest on the Facilities is payable monthly based on the previous month’s ending balance
- The ICR is defined as: Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”) less total Capital Expenditures divided by Total Reported Gross Interest Expense
  - For the purposes of the ICR, interest is based on the amount reported for income statement purposes (i.e. using accrual accounting)
  - The Company must maintain an ICR of at least 2.5x
  - The ICR is tested at the end of each month using all values on a trailing twelve-month (“TTM”) basis
  - In the event of the refinancing of any debt other than the Facilities, the ICR will be tested on a “pro forma” basis as if the refinancing had occurred at the beginning of a twelve-month period
- For the Revolver:
  - Any cash flow shortfalls after cash debt service and cash taxes will be funded by the Revolver
  - Any excess cash flow after cash debt service and cash taxes needs to be used to repay the Revolver
  - If the Revolver is fully repaid, any extra cash is assumed to be paid to shareholders as dividends
  - Cash taxes can be calculated based on a rate of 25% based on FCF after interest expense on a reported basis

[Case continues on next page]

### Refinancing of Existing Subordinated Notes:

- Streamwise is considering whether to refinance its existing Subordinated Notes prior to maturity
- If the existing Subordinated Notes are retired prior to maturity, the company must pay a premium over the face value as indicated in the accompanying spreadsheet
- The company would like to know the impact on the pro forma ICR of refinancing the Subordinated Notes beginning on October 31, 2018 and at each subsequent month-end prior to maturity
- The existing notes would be refinanced with a new issue of 10-year Senior Notes
- Given the state of the debt markets, Streamwise's advisers expect that the Company should be able to achieve a lower rate the earlier they access the debt markets, as follows:

<u>Month</u>	<u>Expected Rate</u>
October 2018	5.05%
November 2018	5.25%
December 2018	5.70%
January 2019	5.95%
February 2019	6.15%
March 2019	6.40%

- Interest on the new Senior Notes would be paid semi-annually starting on the last day of the month six months after the issuance date

### Tasks to Complete / Questions:

1. Build debt schedules to track the Revolver, Senior Term Loan, Existing Subordinated Notes and New Senior Notes.
2. Ensure that the model has flexibility for the user to run scenarios and choose the date of the anticipated refinancing, starting on October 31, 2018 and at each month-end thereafter until and including March 31, 2019.
3. Calculate the ICR at each month-end from October 2018 to March 2019.
4. In which refinancing scenario(s) does the minimum ICR occur? What is the minimum ICR and in which month does it occur?

In which refinancing month scenario(s) does the company not breach its ICR covenant? In this case(s), what is the minimum EBITDA cushion (i.e. the amount by which EBITDA could fall before the covenant is tripped), and in what month does this occur?



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and discipline in Financial  
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