

## CFA Program - Abbreviation Guidelines for Level I

Candidates are responsible for knowing and understanding the following abbreviations, which may appear in CFA Program Level I multiple choice exam questions.

bp or bps = Basis Point(s)  
CAPM = Capital Asset Pricing Model  
CEO = Chief Executive Officer  
CIO = Chief Investment Officer  
CML = Capital Market Line  
DCF = Discounted Cash Flow  
DDM = Dividend Discount Model  
D/E ratio = Debt-to-Equity ratio  
EBIT = Earnings Before Interest and Taxes  
EBITDA = Earnings Before Interest, Taxes, Depreciation, and Amortization  
EPS = Earnings per Share  
ESG = Environmental, Social, and Governance  
ETF = Exchange-traded Fund  
EV = Enterprise Value  
FCFE = Free Cash Flow to Equity  
FCFF = Free Cash Flow to the Firm  
FIFO = First-In, First-Out  
GDP = Gross Domestic Product  
GNP = Gross National Product  
IFRS = International Financial Reporting Standards  
IPO = Initial Public Offering  
IPS = Investment Policy Statement  
IRR = Internal Rate of Return  
Libor = London Interbank Offered Rate  
LIFO = Last-In, First-Out  
n/a = not applicable  
NAV = Net Asset Value  
NPV = Net Present Value  
P/B ratio = Price-to-Book ratio  
P/CF ratio = Price-to-Cash Flow ratio  
P/E ratio = Price-to-Earnings ratio  
PP&E (or PPE) = Property, Plant, and Equipment  
REIT = Real Estate Investment Trust  
ROA = Return on Assets  
ROE = Return on Equity  
SML = Security Market Line  
US GAAP = US Generally Accepted Accounting Principles  
VaR = Value at Risk  
WACC = Weighted Average Cost of Capital

Currency Codes:

EUR = Euro

GBP = British pound

JPY = Japanese yen

USD = US dollar