

CAIA CANDIDATE HANDBOOK

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PRIOR TO EXAM DAY

Overview

Prior to exam day, after determining readiness to take the exam, carefully read the entire CAIA Candidate Handbook and [CAIA's Misconduct Policy](#). [Register](#) and purchase an exam with CAIA; review the confirmation of registration email upon receipt. Then, when notified that exam scheduling has opened, book your exam appointment through our testing provider, PearsonVUE. At any point, [download the Study Guide](#) and [purchase Curriculum Readings](#). Prior to the test, familiarize yourself with the [exam structure](#) and work through [Sample Questions](#).

Review the Prerequisite Program

Candidates enrolling in the CAIA program are presumed to have an understanding of quantitative methods and financial instruments, markets, and models. To help you assess your readiness to enter the CAIA program, we strongly recommend you use the [Prerequisite Diagnostic Review \(PDR\)](#) self-assessment tool. The PDR is not required and scores are not seen by the CAIA Association (As a guideline, candidates who receive 70% or more points on the PDR are generally ready to enter CAIA Level I.) Then, read and work through the [Prerequisite Study Guide](#) in necessary areas. The Prerequisite Program is organized around a Study Guide and a set of learning objectives in each topic. Once comfortable with all prerequisite material, take the alternate version of the PDR to re-assess your knowledge.

The CAIA Prerequisite materials are designed to be used in conjunction with [Quantitative Methods for Investment Analysis by DeFusco, McLeavey, Pinto, and Runkle \(CFA Institute\)](#) and [Investments by Bodie, Kane, and Marcus \(McGraw Hill Publishers\)](#). These materials are recognized as a consummate blend of practical and theoretical coverage of the foundations of investment analysis. The Prerequisite Study Guide will direct your learning in these areas.

Determine Local Exam Availability

Review the current list of exam locations to determine whether the CAIA exams are offered in a particular location. If a location does not appear on this list, the CAIA exams are not currently delivered there. To view a list of current sites offering the CAIA exams:

- a) Visit www.vue.com/vtlocator
- b) Under "Choose category" choose Financial Services
- c) Under "Choose testing program" choose CAIA Association
- d) Enter your local information to determine location availability*

**Location availability is not guaranteed. See [Reserve an Exam Seat](#).*

Register for an Exam

Exam registration is a three-step online process of completing an exam registration form, signing the Candidate Agreement, and purchasing an exam.

- a) Complete an exam registration form: Create an account at caia.org and submit an [online exam registration form](#).
- b) Sign the Candidate Agreement: The Agreement is a certification that you meet CAIA association's professional conduct standards and have read the Misconduct Policy.
- c) Purchase an exam: The program fees comprise the non-refundable one-time program enrollment fee and the exam registration fee (refundable only within the first 30 days after purchase). Please visit the [Fee Information](#) section of CAIA.org for details.

Download the Study Guide

The CAIA program was designed to facilitate self-learning for today's busy professional. The [CAIA Study Guides](#) comprise the foundation of the program and, in conjunction with the curriculum readings, allow candidates to prepare for the CAIA exams. The Study Guides break down each reading, section by section, into keywords and learning objectives. Each Guide clearly delineates what you need to know for the exams.

Study Guides are exam specific, regularly revised, and pertain only to the current exam period. The Study Guide is arranged in topics that conform to the CAIA curriculum. Each exam question is based on one learning objective or a combination of learning objectives. However, learning objectives are not proxies for actual exam questions. Nevertheless, a candidate who is able to meet all learning objectives in this Study Guide should be well prepared for the exam.

Purchase the Curriculum Readings

The CAIA Level I and Level II curricula are based on readings for use in conjunction with the Study Guides. These books and articles are chosen for their clarity, depth, and synthesis of industry insights. To maintain currency, the curriculum is revised annually to incorporate relevant industry developments and the latest academic research.

The exam registration fee does NOT include the cost of the curriculum readings. The CAIA Association does not sell or maintain an inventory of these readings; they must be purchased from outside vendors. The CAIA Association cannot guarantee textbook availability from any given vendor. All textbook stock or delivery issues must be taken up directly with the bookseller(s). It is solely the candidate's responsibility to locate and obtain all textbooks prior to the examination period and early enough to allow sufficient study. The CAIA Association will not allow an exam to be postponed due to late receipt of books.

You will need a calculator for the CAIA examinations. The CAIA Association allows candidates to bring into the examination the [TI BA II Plus](#) (as well as the [Professional model](#)) or the [HP 12C](#) (as well as the [Platinum edition](#)). No other calculators will be allowed in the testing center. The exam proctor will require that you clear all calculator memory prior to the start of the exam.

Reserve an Exam Seat

You will receive a confirmation email that will explain when and how to schedule your exam appointment with our global testing provider, PearsonVUE. The testing provider typically opens scheduling around two or three months into the registration period. It is not possible to schedule your exam appointment until then. Candidates are encouraged to schedule appointments sooner rather than later as some examination centers have limited capacity. The CAIA Association cannot guarantee availability of any test center for any given exam.

In the case that a candidate's preferred location and time are not available, it is solely the candidate's responsibility to locate, and arrange for transportation to, an alternate testing center. Deferments are not allowed and will not be granted to candidates who are unable to sit for the exam due to lack of preferred site availability or failure to schedule an appointment.

Become Familiar with the Exam Structure

The CAIA examinations are offered semi-annually, giving candidates the opportunity to complete the CAIA program within a single year. The exams are administered by computer at testing centers around the world. The Level I exam lasts 4 hours, with an optional 30-minute break between Sections 1 and 2. The Level II exam is 3.5 hours, with an optional 30-minute break between Sections 1 and 2.

The Level I exam is composed of 200 multiple-choice questions. Section 1 and Section 2 each contain 100 multiple-choice questions, and candidates have 2 hours to complete each section.

The Level II exam is composed of both multiple-choice and constructive response (essay-type) questions. Section 1 contains 100 multiple-choice questions and has 2 hours to complete, while Section 2 contains several essay questions and has 1.5 hours to complete.

Candidates should be aware that key equations are no longer provided in the Study Guide and will not be provided on the exam. This is an outgrowth of the new curriculum and the use of original reading materials developed by CAIA. All equations in the readings are important to understand.

The CAIA Association suggests that candidates keep the following tips in mind when taking the CAIA exams:

Multiple-Choice questions:

- Multiple-choice questions ask for the BEST answer to the question. When in doubt, choose the answer that represents the more general case, and not an answer that could represent the exceptional case.
- There is no “extra” penalty for a wrong answer (beyond not receiving credit), and so candidates should not leave any answer blank.

Item Sets

- Item sets are designed to explore a common scenario or vignette that allows the candidate to display a deeper understanding of the curriculum. In most cases, three related questions follow the vignette.

Constructive Response (Essay-Type) Questions (Level II)

- Responses to constructive response questions need not be full sentences. Candidates are not penalized for improper grammar and spelling, although a clear stream of thought is the best way to obtain full points in a given section.
- Usually, any one part of an essay question can be answered within one or two paragraphs.
- When an essay question asks for a list, for example of three things, you will be graded only upon the first three items on the list and not on items beyond three.
- Essay questions ask for specific types of responses, such as describe, calculate, or argue. You should tailor answers to meet the requirements of the question.

Study

Candidates set their own course of study, but some tools are available through CAIA.org.

- a) Sample questions: The Sample Questions are representative of what candidates should expect on exam day.
- b) Study groups: Work with other candidates to achieve your study goals. CAIA.org facilitates the formation of [study groups](#) via our exclusive candidate forums, limited to currently registered candidates.
- c) Preparatory Program Providers or Prep Programs: These third-party [program providers](#) organize materials to assist CAIA candidates. The CAIA Association does not endorse, promote, review, or warrant the accuracy of the courses, products, materials, and/or services offered by any third-party program provider of Association-related information; nor does it endorse any pass rates claimed by the third-party program providers.

Candidates have indicated that they spend an average of 150 to 200 hours of study time for Level I, while Level II requires an average of 200 hours or more. Individual study needs can vary significantly.

ON EXAM DAY

Overview

Arrive early to allow time for all check-in steps and security measures, and comply with all stated policies. Understand the guidelines about personal belongings, allotted time, breaks, and acceptable behavior. Know what to expect upon completion of the test. Refer to PearsonVUE for more details on exam site procedures. Failure to follow these guidelines could result in an inability to complete the test and/or forfeit of fees.

Arrival

Arrive at your Test Center at least 30 minutes prior to your scheduled appointment time. Late arrivals will not be permitted to enter the examination room.

Secure check-in

When you check in at the test center, the test administrator will ask you to present valid identification. You will not be allowed to check in without meeting the identification requirements as presented below, **without exception**. The identification requirements are two (2) valid forms of identification with the following stipulations:

- a) Both (2) must contain your signature
- b) One (1) must contain your photograph
- c) Both ID names must EXACTLY match the name under which you registered for the exam

The test administrator will perform a digital security check using your fingerprint, signature, palm vein pattern, and/or photograph. The digital security check ensures that each test taker has a single CAIA record, preventing people from taking the test for others and maintaining test integrity

You will be informed that audio and video are recorded in the testing room at all centers during the exam.

If you refuse to participate in any part of the check-in process, you will not be permitted to test and you will forfeit your exam registration fee.

Nondisclosure Agreement

Before you begin the CAIA exam, you will be asked to sign the following Nondisclosure Agreement and General Terms of Use statement. Electronic confirmation of your agreement is required. If you do not agree to the statement, you will not be permitted to take the test and you will forfeit your exam registration fee.

As a candidate in the CAIA Program, I am obligated to follow the testing policies as outlined by the CAIA Association. I understand that I must not engage in any conduct that compromises the reputation or integrity of the CAIA Association or the integrity, validity, or security of the CAIA exam.

Specifically, I agree that:

- a) Prior to this exam, I have not given or received information regarding the content of this exam. During this exam, I will not give or receive any information regarding the content of this exam.*
- b) After this exam, I will not disclose any portion of this exam and I will not remove any exam materials from the testing room in original or copied form. I understand that all exam materials, including my answers, are the property of CAIA Association and will not be returned to me in any form.*
- c) I will follow all rules of the CAIA Association as stated on the CAIA Association website. Violation of any rules of the CAIA Program will result in the CAIA Association voiding my exam results and may lead to suspension or termination of my candidacy in the CAIA Program.*

Personal Belongings

A secure locker inside the test center will be available to store your personal belongings, including items not permitted in the testing room.

Items permitted in the testing room are primary ID and calculators of the types [TI BA II Plus](#) (as well as the [Professional model](#)) or the [HP 12C](#) (as well as the [Platinum edition](#)) only, whose memories have been cleared.

Items not permitted in the testing room include coats or jackets, hats or hair bands, pagers, pens or pencils, calculators other than those listed above, books, pamphlets, notes, blank sheets of paper, rulers, stereos or radios, cellular (mobile) phones, stopwatches, watches, dictionaries, translators, thesauri, personal data assistants (PDAs) and any other electronic or photographic devices or potential aids. Also prohibited are food, drink (including water bottles), and tobacco. Lastly, personal items such as inhalers, contact lens solution, eye drops, and lip balm are prohibited.

The Testing Room and Equipment

The test administrator will direct you to a testing room with private computer workstations. The computer testing program will guide you systematically. The exam software helps facilitate movement around the exam by tagging questions for later review. The software also allows candidates to answer all the questions in the section in numerical order if they choose. You must complete your analysis of each question and the review of each question within the allotted section time.

The test administrator will provide you with an erasable note-board booklet (no paper or pens are allowed). If you fill up your erasable note-board booklet during the test, the administrator will collect the current booklet and provide you with a replacement. You will begin the second section of the exam with a clean booklet. You may not remove the booklet from the testing room during or after the test and you must return it to the administrator after the test. Raise

your hand to notify the test administrator if you have a problem with your computer, need a new booklet, or need the test administrator for any other reason.

Dress comfortably and be prepared to adapt should the room temperature change.

Allotted Time

Testing must begin promptly once you are seated at the computer. The length of your test section will appear as a clock on the upper right-hand portion of your exam screen, and will count down to zero by seconds. Once the section time is up, you will not be able to return to that section to change or submit answers.

Breaks

You must gain the test administrator's permission before leaving the testing room. A digital security check will be performed any time you leave or enter the testing room.

Optional breaks are scheduled into the exam period. During the break, you are required to remain in the test center building or in the immediate area. This policy varies depending on the test center location, and it is your responsibility to ask the test administrator where to find approved smoking areas, restrooms, or food and drink vending areas. If you violate test center policy, the administrator may refuse to allow you to reenter the testing room to continue your exam. If you exceed the time allowed for each optional break, the extra time is deducted from your remaining exam time.

During the break, you may not communicate with any other person, candidates or otherwise, except for test administrators. Access to telephones, cellular (mobile) phones, or other communication devices will not be permitted during the test session or during breaks. Access to notes will be permitted, but you must place your notes in your locker prior to reentering the test room.

Behavior and Causes for Dismissal

Disruptive behavior in any form will not be tolerated. The test administrator has sole discretion in determining what constitutes disruptive behavior.

The test administrator is authorized to dismiss you from a test session for various reasons, including, without limitation, providing false information; attempting to take the test for someone else; failing to provide acceptable identification; possessing unauthorized personal items or testing aids; refusing to comply with an administrator's reasonable requests; giving or receiving unauthorized help; attempting to tamper with the operation of the computer; improper communication, including removal of test content from the test center; refusing to follow directions or failing to adhere to any other procedure, policy or rule. For complete rules and policies, see the [CAIA Misconduct Policy](#) below.

Exam Feedback

The exam software allows the voluntary tagging of exam questions for comment. At the end of the exam, candidates may comment on items tagged. Comments will not affect the scoring of your exam. The CAIA Association uses this feedback to improve the exams. The comment period does not allow you to change any of your submitted answers.

Check-out

Upon exiting the exam room, you will be given a receipt that verifies that you sat for and submitted an exam on the day of your appointment, with information about when you should expect to receive exam results.

Reporting Abuse at a Test Center

The CAIA exam is administered under strict supervision and security measures. However, some test takers may disregard the rules in an attempt to gain an unfair advantage. You must report to the test administrator or PearsonVUE any questionable behavior, such as another test taker receiving assistance or copying from another test taker, taking a test for someone else, using notes or unauthorized aids, or attempting to record or otherwise capture test questions.

If you witness abuse outside a test center, you may send an email to misconduct@caia.org or use our anonymous tip voicemail system: 413-549-3377.

AFTER EXAM DAY

Overview

Candidates will receive an email with results and next steps (exam registration or becoming a member).

Reporting Exam Results

Level I and Level II exam results are usually distributed within 30 days of the close of the testing window. During this period, you can log into CAIA.org and view your general exam results. An e-mail with further details, including percentage correct in each exam section, will be sent one week after your online notification. Candidates are encouraged to [keep their contact information up-to-date](#) to ensure the timely receipt of exam results.

Exam Retakes

Those not successful in passing Level I or Level II may retake the exam for a [reduced fee](#). You must pass the Level II exam within three years of passing Level I or start the exam process over with the Level I exam.

Becoming a CAIA Member

The right to use the CAIA designation is earned by (1) successfully completing the CAIA program (passing both the Level I and Level II exams) and (2) becoming a member of the CAIA Association. To qualify for membership in the Association, you must fulfill all of the following requirements:

- a) Pass the Level II exam within three years of passing the Level I exam
- b) Hold a U.S. bachelor's degree or the equivalent and have more than one year of professional experience, or alternatively have at least four years of professional experience. Professional experience is defined as full-time employment in a professional capacity within the regulatory, banking, financial, or related fields
- c) Complete the online Member Agreement
- d) Submit payment for the annual CAIA Association [membership fee](#)
- e) Agree on an annual basis to abide by the Member Agreement

CAIA MISCONDUCT POLICY

The CAIA Association views exam misconduct and other inappropriate conduct within the program as a violation of a candidate's responsibilities. The CAIA Association is committed to protecting the integrity of the CAIA designation.

The CAIA Association considers its examination questions to be its intellectual property and considers unauthorized dissemination or receipt of that material to be an infringement on its rights. In no case has the CAIA Association made current examination questions public nor has the CAIA Association authorized the publication or dissemination of any examination questions.

Misconduct includes knowledge by a candidate of past or present examination questions prior to sitting for the examination. Candidates must not receive information that they know or should have known contains actual examination questions in whole or in part, verbatim or redacted.

Misconduct also includes directly or indirectly assisting others in obtaining knowledge of past or present examination questions. Candidates must not disseminate information that they know or should have known contains actual examination questions in whole or in part, verbatim or redacted, directly or indirectly, to candidates or to others.

The CAIA Association considers any means used during the examination other than those explicitly permitted by CAIA to be acts of fraud and misconduct. Inappropriate means include but are not limited to:

1. Misrepresenting identity
2. Receiving or making any unauthorized communication during the exam
3. Utilizing unauthorized materials (electronic or otherwise) during the exam
4. Bringing materials to or removing materials from the exam room
5. Using a recording device (sound, image or other) during the exam
6. Not clearing calculator memory prior to the start of the exam
7. Using a laptop, small computer, PDA, or any other device that stores or can store information during the exam (except a cleared and authorized calculator)
8. Removing or attempting to remove test content from the test center. (Under no circumstances may any part of the test content viewed during a test administration be removed, reproduced, and/or disclosed in any form by any means -- verbally, in writing, or electronically -- to any person or entity at any time. This includes, but is not limited to, discussing or disclosing such test content via email, chat room, message board, or any other forum. This disclosure prohibition applies before, during, and after any administration of the CAIA exam.)

Candidates and members must report any suspicious activity to misconduct@caia.org, or by calling our anonymous misconduct tip voicemail box: 413-549-3377. Our policy is to keep the names of individuals reporting such information confidential.

Upon review, should the CAIA Association Board of Directors determine that a violation has occurred, it will recommend disciplinary action. The candidate may accept the conclusion and

penalty, or ask for an appeal. In the case of an appeal, the candidate alone must represent himself before the Board of Directors and accept its recommendation as final.

Those found to be in violation of one or more points of misconduct may be subject to the following penalties at the sole discretion of the Board of Directors:

1. Invalidated exam
2. Censure
3. Suspension from the program for a period of time to be determined by the Board
4. Expulsion from the program