



FRM Level 1 Lecture Notes

v. 1.0.0

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Introduction

The FRM exam

Key to success

Risk management: a helicopter view



- ▶ International professional certification offered by **GARP** (The Global Association of Risk Professionals).
- ▶ A certificate focus on risk management, 2 levels:
 - ▶ **Part 1**: tools used to assess financial risk : Foundations of Risk Management, Quantitative Analysis, Financial Markets and Products, Valuation and Risk Models
 - ▶ **Part 2**: Measurement and Management of: Market Risk, Credit Risk, Operational and Integrated Risk; Current Issues in Financial Markets
- ▶ Scoring and results:
 - ▶ All multiple choice questions
 - ▶ No penalties for wrong answers
 - ▶ Passing scores determined by FRM committee (~ 50%)
 - ▶ Exam results emailed six weeks after the exam, quartile results



Table: Part 1 exam contents and weights

Book	Knowledge Domains	Weight	# Questions
1	Foundations of Risk Management	20%	20
2	Quantitative Analysis	20%	20
3	Financial Markets and Products	30%	30
4	Valuation and Risk Models	30%	30

^a 4 hours exam time



Plan and practice

- ▶ Begin studying early
- ▶ Study plan and stick to the plan
- ▶ Practice exams

Recourses

- ▶ Official books
- ▶ Schweser
- ▶ bbs.pinggu.org



Thank you!