

## **CFA Program - Acronym Guidelines for Level I**

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

CAPM = Capital Asset Pricing Model  
D/E = Debt-to-Equity ratio  
EBIT = Earnings Before Interest and Taxes  
EBITDA = Earnings Before Interest, Taxes, Depreciation, and Amortization  
EPS = Earnings per Share  
ETF = Exchange-traded Fund  
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  
IRR = Internal Rate of Return  
Libor = London Interbank Offer Rate  
LIFO = Last-In, First-Out  
NAV = Net Asset Value  
NPV = Net Present Value  
P/B = Price-to-Book ratio  
P/CF = Price-to-Cash-Flow ratio  
P/E = Price-to-Earnings ratio  
PP&E (or PPE) = Property, Plant, & Equipment  
REIT = Real Estate Investment Trust  
ROA = Return on Assets  
ROE = Return On Equity  
US GAAP = U.S. Generally Accepted Accounting Principles  
WACC = Weighted Average Cost of Capital