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This document attempts to identify questions from past Level III essay exams which are still relevant in 2017. There is no guarantee that the information presented here is 100% accurate. If you have any suggested updates please visit our support help desk at <http://ift.freshdesk.com>

Year	Question	Relevant		Comment
2006	1	Partial	Individual PM	Individual IPS (return calculation, risks, constraints). Part D is irrelevant/obsolete
2006	2	Yes	Asset Allocation	ALM, Monte Carlo, choosing appropriate asset allocations
2006	3	Yes	Fixed Income	Pure bond indexing, active investing strategies
2006	4	Yes	Institutional PM	DB Pension fund IPS, constraints, risk factors
2006	5	Yes	Asset Allocation	Strategic asset allocation, whether investments are suitable
2006	6	Yes	Institutional PM	Differences between pension fund IPS and foundation IPS
2006	7	Yes	Asset Allocation	Corner portfolios, strategic asset allocation
2006	8	Yes	Ethics	GIPS
2006	9	No		
2006	10	Yes	Alternative Investments	Characteristics of hedge fund benchmarks (only part A is relevant)
2006	11	Partial	Trading, Monitoring and Rebalancing	Components of trading costs.
2006	12	No		
2007	1	Yes	Individual PM	Individual IPS, investor personality type
2007	2	Yes	Individual PM	Part A and B: Outright sale, Exchange funds, Completion Portfolios. Part C: Asset allocation
2007	3	Yes	Individual PM	Behavioural biases
2007	4	Yes	Asset Allocation	Asset classes, Black Litterman
2007	5	Yes	Institutional PM	Endowment IPS, constraints, risk
2007	6	Yes	Institutional PM	Life insurance company IPS, constraints, risks
2007	7	Yes	Trading, Monitoring and Rebalancing	Corridor widths, rebalancing strategies
2007	8	Yes	Equity	Active management, style drift, core satellite
2007	9	No		
2007	10	Yes	Economic Analysis	Grinold-Kroner Model. Only parts B and C are relevant.
2008	1	Yes	Individual PM	Individual IPS, constraints, risk ability
2008	2	Yes	Individual PM	Behavioural biases
2008	3	Yes	Institutional PM	Pension fund IPS, constraints, risk factors
2008	4	Yes	Asset Allocation	Corner portfolios, Sharpe ratio, Asset allocation, ALM approach
2008	5	Yes	Fixed Income	Sector rotation trades, interest rate convexity, spread duration
2008	6	No		
2008	7	Yes	Risk Management	Types of risk, stress testing methods
2008	8	Yes	Trading, Monitoring and Rebalancing	Trading tactics, VWAP
2008	9	Yes	Trading, Monitoring and Rebalancing	CPPI, constant mix, buy and hold strategies
2008	10	Yes	Performance Evaluation	Performance attribution analysis
2008	11	Yes	Asset Allocation	Currency risk management
2009	1	Yes	Individual PM	Individual IPS, constraints, risk ability
2009	2	Yes	Individual PM	Life cycle investing
2009	3	Yes	Institutional PM	Pension fund IPS, constraints, risk factors, spending rule

Relevance of Questions from past Level III Essay Exams

2009	4	No		
2009	5	Yes	Economic Analysis	Grinold-Kroner, Taylor Rule
2009	6	Yes	Asset Allocation	Strategic asset allocation, whether investments are suitable
2009	7	Yes	Equity	Active and passive equity investments, portfolio construction methods, investment styles
2009	8	Yes	Alternative Investments	Commodities, swaps
2009	9	Yes	Risk Management	Options, counterparty risk, credit risk in a swap
2009	10	Yes	Trading, Monitoring and Rebalancing	Corridor widths, rebalancing strategies
2009	11	Yes	Performance Evaluation	Benchmark selection, performance measures (Sharpe, M2, Treynor, etc.)
2010	1	Yes	Individual PM	TDA and taxable accounts
2010	2	Yes	Institutional PM	Insurance company IPS, behavioural biases
2010	3	Yes	Institutional PM	Pension funds
2010	4	Yes	Economic Analysis	Capital market expectations.
2010	5	Yes	Asset Allocation	Corner portfolios, Sharpe ratio, currency return and risk
2010	6	Yes	Fixed Income	Immunization portfolio, dollar safety margin
2010	7	Yes	Derivatives	Option strategies (butterfly, straddle etc.) Target beta using futures
2010	8	Yes	Trading, Monitoring and Rebalancing	VWAP, Implementation shortfall, corridor widths
2010	9	Yes	Performance Evaluation	Selection of benchmark index, active value addition.
2011	1	Yes	Individual PM	Behavioural biases, estate planning
2011	2	Yes	Individual PM	Calculate after tax nominal return, risk tolerance, liquidity and time horizon constraints, Monte Carlo simulation model.
2011	3	Yes	Institutional PM	Formulate and calculate return objective for endowment, risk tolerance, liquidity and time horizon constraints, maintaining real value and reducing volatility of endowment.
2011	4	Yes	Economic Analysis	Cobb Douglas, H Model, Fed Model, Yardeni Model
2011	5	Yes	Asset Allocation	ALM, Black Litterman, Resampled frontier, Monte Carlo
2011	6	Yes	Fixed Income	Dollar duration, rebalancing, trade types,
2011	7	No		
2011	8	Yes	Risk Management	Historical and Analytical VAR, Hedge currency risk using futures
2011	9	Yes	Performance Evaluation	Performance attribution, sector allocation returns
2012	1	Partial	Individual PM	Calculate required return, ability to take risk, earnings and financial market risk, liquidity and time horizon constraints, human capital. Human capital reading has been updated in 2017.
2012	2	Yes	Individual PM	Tax considerations, accrual equivalent returns.
2012	3	Yes	Trading, Monitoring and Rebalancing	Market characteristics, algorithmic participation strategy, rebalancing strategies.
2012	4	Yes	Individual PM	Identify behavioural biases, cognitive biases, moderate or adapt to client bias.
2012	5	Yes	Economic Analysis	Survivorship bias, regime change and appraisal data, purchasing power parity and capital flows, H-model, Tobin's q.
2012	6	Yes	Institutional PM	Return objective and return requirement of pension plan, risk tolerance, asset allocation, asset-only and liability relative approach, DB plan vs participant-directed DC plan.
2012	7	Partial	Fixed Income	Return and duration of leveraged portfolio, repo rate, adjust portfolio duration using futures, duration of call option. Note: Part E is not relevant.
2012	8	Yes	Derivatives	Altering asset allocation, equity beta and modified duration using futures, calculate profit/loss on portfolio.
2012	9	Yes	Derivatives	Delta hedging, delta for put options, calculate difference between hedged position and benchmark.
2013	1	Yes	Individual PM	Calculate after tax required return, ability to take risk, calc. liquidity requirement, portfolio selection based on objectives and constraints.
2013	2	Yes	Individual PM	Estate Planning, benefits of trust, gift vs bequest, generation skipping.
2013	3	Yes	Individual PM	Friedman-Savage utility function, behavioural biases, behavioural portfolio theory vs mean-variance framework.

Relevance of Questions from past Level III Essay Exams

2013	4	Partial	Equity	Index construction, equity market inclusion in developed/emerging market index, style indices. <i>Some questions are based on the reading "International Equity Benchmarks" which has been removed from the curriculum.</i>
2013	5	Yes	Economic Analysis	Cobb-Douglas function, Fed and Yardeni model. Note: Solution makes a reference to the BRICS reading which has been removed; however, the concept is still valid.
2013	6	Yes	Institutional PM	Risk tolerance, calculate nominal required return, calculate liquidity requirement.
2013	7	Partial	Institutional PM	Shortfall risk. Note: Part C and D are not relevant.
2013	8	Yes	Fixed Income	Cash flow matching vs immunization, calculate initial safety margin, contingent immunization strategy, economic surplus.
2013	9	Yes	Fixed Income	Top down and bottom up approach, credit spread, on-the-run issues vs off-the-run issues.
2013	10	Yes	Risk Management	Enterprise risk management, risk report, stress testing.
2013	11	Yes	Performance Evaluation	Decomposing return into style and active return, selection of fund on a risk-adjusted basis, manager continuation decisions.
2014	1	Yes	Individual PM	Risk tolerance, liquidity requirement, post retirement portfolio value, calc. portfolio's % return after tax.
2014	2	Yes	Individual PM	Options strategy to reduce wealth concentration and defer C.G.T, reduce cost of hedging, cashless collar, forward conversion with options strategy.
2014	3	Yes	Equity	Returns-based style analysis, determine investment style using RBSA, select appropriate benchmark, price inefficiencies, long-only constraint.
2014	4	Yes	Economic Analysis	Singer-terhaar approach, Taylor rule, ability to service debt.
2014	5	Yes	Institutional PM	Risk tolerance of pension plan, liquidity requirement of DB plan, Asset-only and liability mimicking approach.
2014	6	Yes	Institutional PM	Risk tolerance of endowment, calc. return requirement, compare risk tolerance and liquidity requirement.
2014	7	Yes	Fixed Income	Breakeven spread analysis, calc. bond portfolio duration, hedging currency risk.
2014	8	Yes	Asset Allocation	Expected utility, Roy's safety-first criterion, mean-variance improvement, conditional return correlations.
2014	9	Yes	Derivatives	Adjust asset allocation using futures, adjust duration using swaps, futures overlay strategy and cash-market strategy.
2014	10	Yes	Trading, Monitoring and Rebalancing	Calendar rebalancing and percentage-of-portfolio rebalancing, corridor width, Volume-weighted average price (VWAP) algorithm and implementation shortfall algorithm, calc. component of implementation shortfall.
2014	11	Yes	Individual PM	Behavioural biases, educate vs adapt to client bias.
2015	1	Yes	Institutional PM	Risk tolerance, calculate return requirement, impact of early retirement option.
2015	2	Yes	Institutional PM	Asset only and liability-relative approach, ability to take risk.
2015	3	Yes	Fixed Income	Matching effective duration with benchmark, trade based on market forecast, crossover trade, reducing duration, mean-reversion analysis.
2015	4	Yes	Alternative Investments	Real estate Indices, direct real estate inv. vs publicly traded equity inv, performance fee for hedge funds, J-factor risk, investment lock up period.
2015	5	Yes	Performance Evaluation	Outperforming pure indexing strategy, decomposing return into style bias and active management, time weighted return, pure sector allocation return, within-sector selection return.
2015	6	Yes	Risk Management	Calculate amount at risk of credit loss, payment netting with a single counter-party, reducing credit risk.
2015	7	Yes	Individual PM	Calculate bequest amount, calculate gift amount, ability to take risk, liquidity and time horizon constraints.
2015	8	No		
2015	9	Yes	Asset Allocation	Selection of benchmark index, executing forward trade, selecting appropriate options trade.
2015	10	Yes	Economic Analysis	Grinold-Kroner model, Taylor rule, Risk premium approach.
2015	11	Yes	Individual PM	Behavioural biases.
2016	1	Yes	Institutional PM	Endowment risk and return. Comparison between an endowment and a foundation.

Relevance of Questions from past Level III Essay Exams

2016	2	Yes	Fixed Income	Duration. Change in yield that would eliminate yield advantage. Hedged and unhedged return. Hedging strategies.
2016	3	Yes	Equity	Information ratio. Comparing investment styles. Equitizing market-neutral portfolios. Optimal allocation across portfolio managers. Alpha and beta separation.
2016	4	Yes	Asset Allocation	Corner portfolios. Approaches to asset allocation. Minimum variance frontier. Strategic asset allocation.
2016	5	Yes	Trading, Monitoring and Rebalancing	Bid-ask spread as a measure of trading costs. Major trading tactics. Performance implications of different rebalancing strategies.
2016	6	Partial	Individual PM	Risk tolerance. Required return. Longevity risk. Comment: Part D is based on a reading which is not part of the 2017 curriculum.
2016	7	Yes	Individual PM	Concentrated single asset positions and behavioral biases.
2016	8	Yes	Risk Management	Forwards and futures strategies. Option strategies.
2016	9	Yes	Economic Analysis	Capital market expectations.
2016	10	Yes	Individual/Behavioral	Behavioral finance perspective and behavioral biases of individuals.

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