

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
ESG = Environmental, social, and governance
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