EXAM FM (CAS 2) SUGGESTED STUDY SCHEDULE
May 2009 Exam

Exam FM (CAS 2) will be held in mid May, 2009. This schedule has been created to allow time for a thorough coverage of the exam topics to be completed by late April. The final few weeks of intensive review should focus on working as many examples as possible to build up speed, accuracy, formula memorization and problem-type identification. In the schedule below for the compound interest topic, references are made to sections in the book "Mathematics of Investment and Credit", 3rd (IC3) and 4th (IC4) editions (IC 1.1-1.2 refers to sections 1.1 and 1.2 of the book) and for the financial economics topic, references are made to "Derivatives Markets", 2nd edition, (DM) by R. McDonald. References are also made to the S. Broverman Exam FM Study Guide (SB-1 refers to section 1, etc.). Problem sets are from the FM Study Guide.

Week Beginning	Topics to Cover	Suggested Time
Feb 9	Effective Rates of Interest and Discount	
	(IC3 1.1-1.2, IC4 1.1-1.3 SB-1)	4 hr.
	Problem set 1	2 hr.
Feb 16	Nominal Rates of Interest and Discount	
	(IC3 1.3-1.4, IC4 1.4-1.5, SB-2)	3 hr.
	Problem Set 2	1 hr.
	Force of Interest, Inflation (IC3 1.5-1.6,	
	IC4 1.6-1.7, SB-3) 2 hr.	
	Problem Set 3	3 hr.
Feb 23	Annuity-Immediate and Annuity-Due	
	(IC3&4 2.1.3, SB-4)	3 hr.
	Problem Set 4	3 hr.
Mar 2	Annuity Valuation at Any Time Point	
	(IC3&4 2.1.1-2.1.2, SB-5)	2 hr.
	Problem Set 5	2 hr.
	Annuities With Differing Interest	
	and Payment Periods (IC3&4 2.2, SB-6)	3 hr.
	Problem set 6	2 hr.
Mar 9	Annuities With Geometric Payments	
	(IC3&4 2.3.1, SB-7)	2 hr.
	Problem set 7	3 hr.
	Annuities With Arithmetic Payments	
	(IC3&4 2.3.2, SB-8)	3 hr.
	Problem set 8	3 hr.

Week Beginning	Topics to Cover	Suggested Time
Mar 16	Amortization of a Loan (IC3&4 3.1-3.2, SB-9)	3 hr.
	Problem Set 9	3 hr.
	The sinking fund method (IC3&4 3.3, SB-10)	1 hr.
	Problem set 10	2 hr.
Mar 23	Bond Valuation (IC3&4 4.1, SB-11)	4 hr.
	Problem set 11	2 hr.
	Bond Amortization, Callable Bonds (IC3&4 4.2 and 4.3.1, SB-12)	2 hr.
	Problem Set 12	2 hr.
Mar 30	Measures of Return on a Fund (IC3&4 2.4.1, 5.1-5.3.1, SB-13)	3 hr.
	Problem set 13	2 hr.
	Term Structure, Forward Rates, Duration and Short Sale of Stock (IC3 6.1, 6.3, 7.1-7.2, 8.2.1, 8.2.4, 8.3.1-8.3.2 SB-14) IC4 6.1, 6.3, 7.1-7.2, 8.1, 8.3.1, 8.4.1-8.4.2)	4 hr.
	Problem set 14	2 hr.
Apr 6	Introduction to Financial Derivatives (DM 1.1-1.4, SB-15)	2 hr.
	Problem Set 15	1 hr.
	Forward and Futures Contracts (DM 2.1, 5.1-5.4, SB-16)	6 hr.
	Problem Set 16	2 hr.
Apr 13	Introduction to Options (DM 2.2-2.6, SB-17)	4 hr.
	Problem Set 17	1 hr.
	Option Strategies (1) (DM 3.1-3.2, SB-18)	4 hr.
	Problem Set 18	2 hr.
Apr 20	Option Strategies (2) (DM 3.3-3.5, 4.1-4.4, SB-19)	6 hr.
	Problem Set 19	3 hr.
	Swaps (DM 8.1-8.2, SB-20)	4 hr.
	Problem Set 20	1 hr.
Apr 27	Calculator Review (IC Appendix)	3 hr.
	Problem Set 21	3 hr.