

Must-Read Books for the CFA

Investment Banking › Books & Reference Materials



Many investment bankers and students who plan to move into hedge funds or the investment management industry often ask us to recommend books and a study plan for the CFA. When you register for the CFA, you already receive a lot of recommended readings and study notes to help you prepare, so those are materials that you need to read in priority. Below are also a couple of very useful additional books that we recommend:

Kaplan CFA Basics: The Schweser Study Guide to Getting Started

Bruce Kuhlman: Kaplan does publish very high-quality preparation books in general. As the title indicates, be aware that this book is aimed for starters that have not taken the CFA level 1 yet - it is ideal for students and other non-finance professionals who don't know much about finance and accounting. What we like about this book is that it is easy to follow, and provides a very good overview of the concepts of the CFA so that you do not get totally lost before starting your study. A bit expensive, but you can sell them back through Amazon whenever you're done with your study so the overall actual cost won't be that high. If you are a finance professional, just go straight into the curriculum materials and skip this book.

Schweser Studynotes for 2011 CFA Level 1 Exam (Volume 1-5 Plus Quick Sheet)

Kaplan Schweser: Those study notes are the most widely used and most effective to prepare you for the Level 1 exam; they include notes for Levels 2 and 3. They are good for reviews after you go through all the study materials. You can usually find them second-hand from Amazon, just click on the link above and search for "Schweser study guides". If you are lucky, you can get your hands on the latest ones.

2010 Stalla CFA Level 1 Study System (Study Guides, Lecture Notes, Passmaster Cd, Multimedia Lecture Disc, Flashcards) Stalla Review for CFA Exams

Stalla is a CFA study provider that offers preparation courses for the CFA. While you may not need their courses, they do publish quite good books and guides to help your CFA study. The difference-maker about the Stalla books is the

software that comes with it. Some people may find reading easier, while some others prefer to use more "interactive" ways of studying. If you are in the "other" category, these books are for you. They also have level 2 and level 3 books, and the links are below. The same as above, you can usually find those guides on Amazon second-hand. Just click on the link above and do a search for "Stalla guides".

Equity Asset Valuation (CFA Institute Investment Series)

Jerald E. Pinto, CFA: A very important and popular book covering the four important aspects of equity valuation: DDM (dividend discount model), free cash flow models, price multiples, and residual income. It is not only good to help CFA study (level 2 in particular), but is also a reference book for valuation as it is done in the investment management industry. This book also scores many points for having clear, worked-out examples to help your understanding.

Quantitative Investment Analysis (CFA Institute Investment Series)

Richard A. DeFusco, CFA: This book is worth mentioning because it does a good job of explaining the statistics part of the CFA exam. It also delves into the other CFA subjects (statements analysis, time value of money, etc.) but goes much deeper into the statistics area for those who are interested in this area in particular.

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