CFA Level 1 formula sheet

There is no formula sheet in the CFA Level 1 exam, so learn these from memory. Cover the right-hand column of each table and test yourself.

Topic weights

Topic	2026 weight	2027 weight
Ethics	15 to 20%	10 to 15%
Quantitative methods	6 to 9%	11 to 14%
Economics	6 to 9%	6 to 9%
Financial statement analysis	11 to 14%	11 to 14%
Corporate issuers	6 to 9%	6 to 9%
Equity	11 to 14%	11 to 14%
Fixed income	11 to 14%	11 to 14%
Derivatives	5 to 8%	6 to 9%
Alternative investments	7 to 10%	6 to 9%
Portfolio management	8 to 12%	8 to 12%

Source: CFA Institute, Level I exam page. The 2027 curriculum applies from the February 2027 exams. Last checked: 19 November 2026.

Quantitative methods

Formula	What to memorise
Future value	FV = PV × (1 + r)^N
Perpetuity	PV = PMT ÷ r
Effective annual rate	EAR = (1 + periodic rate)^m 1
Continuous compounding	EAR = e^r 1
Holding period return	(P1 P0 + D1) ÷ P0
Geometric mean return	[(1 + R1) × (1 + R2) × ... × (1 + Rn)]^(1/n) 1
Money-weighted return	The IRR of the portfolio's cash flows
Real return	(1 + nominal) = (1 + real) × (1 + inflation)
Sample variance	s^2 = (X mean)² ÷ (n 1)
Coefficient of variation	s ÷ mean
Standard error of the mean	s ÷ n

Formula	What to memorise
t-statistic for a mean	(sample mean hypothesised mean) ÷ (s ÷ n)
Correlation	Cov(1,2) ÷ (1 × 2)
Two-asset variance	w1²1² + w2²2² + 2w1w2 × Cov(1,2)
Safety-first ratio	(E(Rp) RL) ÷ p
Regression slope	Cov(X,Y) ÷ Var(X)
Regression intercept	mean of Y slope × mean of X

Economics

Formula	What to memorise
Price elasticity	%Qd ÷ %P
Income elasticity	%Qd ÷ %Income
Fiscal multiplier	1 ÷ [1 c × (1 t)]
Money multiplier	1 ÷ reserve requirement
Cross rate	(A/B) × (B/C) = A/C
Forward rate	F = S × (1 + i price) ÷ (1 + i base)

Financial statement analysis

Formula	What to memorise
Basic EPS	(NI preferred dividends) ÷ weighted shares
Cost of sales	Opening inventory + purchases closing inventory
Straight-line depreciation	(Cost residual value) ÷ useful life
Double-declining balance	(2 ÷ useful life) × opening book value
Inventory turnover	Cost of sales ÷ average inventory
Days of inventory on hand	365 ÷ inventory turnover
Days of sales outstanding	365 ÷ receivables turnover
Cash conversion cycle	DOH + DSO DPO
Quick ratio	(Cash + short-term investments + receivables) ÷ current liabilities
Interest coverage	EBIT ÷ interest expense
DuPont ROE	Net margin × asset turnover × assets ÷ equity
FCFF	CFO + interest × (1 t) FCInv
FCFE	CFO FCInv + net borrowing

Corporate issuers (Corporate Finance from 2027)

Formula	What to memorise
NPV	CFt ÷ (1 + r)^t initial outlay
IRR	The r that makes NPV = 0
Cost of trade credit	(1 + d ÷ (1 d))^(365 ÷ extra days) 1
ROIC	After-tax operating profit ÷ average invested capital
WACC	wd × rd × (1 t) + wp × rp + we × re
CAPM cost of equity	rf + × (E(Rm) rf)
MM with taxes	VL = VU + t × D

Equity investments

Formula	What to memorise
Gordon growth model	V0 = D1 ÷ (r g), and g must be below r
Next dividend	D1 = D0 × (1 + g)
Implied growth	g = r D1 ÷ P0
Preferred share	V0 = D ÷ r
Sustainable growth	g = retention ratio × ROE
Justified forward P/E	(D1 ÷ E1) ÷ (r g)
Enterprise value	Market cap + debt + preferred cash
Leverage ratio	1 ÷ initial margin
Margin call price	P0 × (1 initial margin) ÷ (1 maintenance margin)

Fixed income

Formula	What to memorise
Bond price	PMT ÷ (1 + r)^t + FV ÷ (1 + r)^N
Full price	Flat price + accrued interest
Accrued interest	(t ÷ T) × coupon
Current yield	Annual coupon ÷ flat price
Modified duration	MacDur ÷ (1 + r), r per period
Approximate ModDur	(PV down PV up) ÷ (2 × y × PV0)
Price change	ModDur × y + ½× convexity × (y)²

Formula	What to memorise
Money duration	AnnModDur × full price
PVBP	(PV down PV up) ÷ 2, for a 1 basis point change
Implied forward rate	$(1 + z2)^2 = (1 + z1) \times (1 + 1y1y)$
Expected loss	Probability of default × loss given default
Loss given default	Exposure × (1 recovery rate)

Write basis points as decimals (25 basis points = 0.0025) and apply duration to the full price.

Derivatives

Formula	What to memorise
Forward price	F0 = S0 × (1 + r)^T
With costs and benefits	F0 = (S0 PV benefits + PV costs) × (1 + r)^T
Forward value, long	Vt = St F0 ÷ (1 + r)^(T t)
Call payoff	max(0, ST X)
Put payoff	max(0, X ST)
Put-call parity	S0 + p0 = c0 + X ÷ (1 + r)^T
Risk-neutral probability	(1 + r d) ÷ (u d)

Alternative investments

Formula	What to memorise
Management fee	Fee rate × assets under management
Incentive fee	Fee rate × profit above hurdle and high-water mark

Portfolio management

Formula	What to memorise
Beta	Cov(i, m) ÷ m^2
CAPM	E(Ri) = Rf + i × (E(Rm) Rf)
Sharpe ratio	(Rp Rf) ÷ p
Treynor ratio	(Rp Rf) ÷ p
Jensen's alpha	Rp [Rf + p × (Rm Rf)]
Investor utility	E(r) ½× A × ²

BA II Plus keys

Task	Keys
Clear old inputs	2nd, CLR TVM
Time value of money	N, I/Y, PV, PMT, FV, then CPT
NPV and IRR	CF, enter flows, then NPV or IRR, CPT
EAR from a stated rate	2nd, ICONV
Mean and standard deviation	2nd, DATA, then 2nd, STAT

Set P/Y to 1 before you start, and enter PV and FV with opposite signs.

From the Medly Team. Practise these formulas on exam-style questions at medlyai.com.