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CFA vs FRM

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1K TOTAL SHARES



If you had to choose between the two – [CFA®](#) or [FRM](#), which one will you take?

Maybe CFA®, maybe FRM or both? This is one of the most frequently asked questions when students make up their mind to advance their careers in Finance. Making the right choice is important because each of the examination takes lot of hard work, money and ofcourse lot of time. The choice, however, is sometimes difficult for those who are not aware of its key differences.

I was fortunate to pass both the CFA® and FRM exams and was lucky to go through the course details, benefits and nuances of both the examinations. In the past, I have mentored hundreds of students for CFA® and FRM examination and through this blog, i thought of preparing a quick guide on CFA® vs FRM that will help students make an informed choice.

To show you the key differences between CFA® and FRM, i have created an infographics that will help you make an informed choice.

Reading Time: 90 seconds

CFA VS FRM

ORGANIZED BY

CFA

www.cfainstitute.org

FRM

www.garp.org

STATISTICS

What are the KEY DIFFERENCE between the two?

CFA curriculum covers broad areas of Finance

FRM is a specialized exam for gaining expertise in Risk Management

HEAD to HEAD

<p>CFA</p> <p>3 level exams</p>	<p>Number of Levels</p>	<p>FRM</p> <p>2 level examination</p>
<p>\$1100 - \$1700</p> <p><small>including registration and examination fees for all 3 levels</small></p>	<p>\$</p> <p>Examination Fees</p>	<p>\$1050 - \$1500</p> <p><small>includes registration as well as exam fees for both levels</small></p>
<p>December / June</p> <p><small>CFA Level I conducted twice a year. CFA Level II & III is conducted only once</small></p>	<p>Exam Dates</p>	<p>November / May</p> <p><small>Both FRM Level 1 & 2 are conducted twice a year. Both exams can be taken on the same day at once</small></p>
<p>Investment Management</p> <p><small>broad based, suitable for Investment Banking & Portfolio Managers</small></p>	<p>Focus Areas</p>	<p>Risk Management</p> <p><small>Suitable for Risk Management profiles like Banks, Treasury and Risk Assessments</small></p>
<p>300 hours for each level</p>	<p>Study Hours</p>	<p>150 hours for each level</p>

Which kind of JOBS will I be eligible?

<p>CFA</p> <ul style="list-style-type: none"> Investment Banking <small>IPOs, Merges & Acquisitions, Pitch Book</small> Portfolio Management <small>Asset Management, Mutual Funds, Financial Planning</small> Equity Research <small>Accounting, Valuations, Discounted Cash Flows</small> 	<p>FRM</p> <ul style="list-style-type: none"> Banks <small>Asset Liability Management, Treasury</small> Risk Management <small>Risk Appraisal, Risk Assessment</small> <p><small>CFA has no direct competition. However, FRM has a direct competition from PRM (Professional Risk Management Exam).</small></p>
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What are the PASS RATES?

<p>CFA Level 1</p> <p><small>June, 2014 Results</small></p>	<p>FRM Level 1</p> <p><small>May, 2014 Results</small></p>
<p>CFA Level 2</p> <p><small>June, 2014 Results</small></p>	<p>FRM Level 2</p>
<p>CFA Level 3</p>	<p><small>Both FRM exams can be taken on 1 single day. However, if you fail FRM Level 1 and pass Level 2, you will still have to appear for both the exams next time</small></p>

COURSE FOCUS AREAS

<p>CFA</p> <ul style="list-style-type: none"> Ethics Portfolio Managemnet Accounting Corporate Finance Fixed Income Equity Invesmtents 	<p>FRM</p> <ul style="list-style-type: none"> Quantitative Analysis Derivatives VAR - Value at Risk Credit Risk Operation Risk Basel Norms
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PRO TIP

If you have no specific choice of Finance career, then you should opt for CFA Exam as it is broad based and opens up more number of career opportunities.

Since FRM is focussed towards Risk, it is specialized field and may be taken only if you really want to make a career in Tready & Risk Management

WallstreetMojo.com

REFERENCES

www.cfainstitute.org
 www.garp.org
 www.educorporatebridge.com
 www.analystforum.com

Pro Tip : CFA® vs FRM

- **Broad vs Focussed** – The key difference is that CFA® curriculum covers broad range of topics in Finance. However, FRM is a specialized exam for gaining expertise in Risk Management.
- **Job Opportunities** – CFA® is especially useful for those who want to make a career in Investment Banking, Portfolio Management or Financial Research. FRM opens up careers in Risk Management in Banks, Treasury Department or Risk Assesments.
- **Passing Rates** – Do not worry too much about the passing rates. Both the exams CFA® and FRM have a reasonable range of passing rates (30–50%).
- **Competition** – CFA® exam has no direct competition from other providers. If you want to really make a career in Invesment Banking or Portfolio Management, then the choice of CFA® is a no brainer. FRM examination has a direct competition from PRM (Professional Risk Manager). If you want to make a career in Risk management, then you are spoilt for choices as you may want to choose between the two exams – FRM or PRM. My take is that FRM is rather popular examination between the two and for a newbie, it makes sense to appear for FRM exam first.
- **Examination Tips** – CFA® is slightly easier for students who have an accounting background. CFA® curriculum relies heavily on Accounting Fundamentals. FRM examination on the other hand is slightly easier for those who have a quantitative background as majority of foundation level topics are maths based.
- I have written an exhaustive post on CFA® and examination tips – [Tips on passing CFA® Examination](#)
- If you are confused between CFA® vs MBA, then [click here](#).

If you want to professionally learn Investment Banking Skills, you may also opt for this [Investment Banking Training](#) (99 course bundle)