FRM Part 1 Syllabus

Foundations of Risk Management (20%)

Topics covered in FRM Exam Syllabus are as follows:

- An understanding of corporate risk governance and the trade-off between risk and return
- The construction of efficient portfolios
- Fundamental asset pricing models
- Enterprise risk management frameworks
- Data quality management
- A review of major financial disasters
- To emphasize the importance of ethics as a fundamental requirement for sound risk management
- applications of the GARP Code of Conduct to professional situations are covered in this section as well

Quantitative Analysis (20%)

Topics covered in FRM 2019 Syllabus are as follows:

In this section, aspirant's knowledge of basic probability and statistics, regression and time series analysis is checked.

- Monte Carlo methods
- Volatility forecasting models
- Value-at-Risk estimation

Financial Markets and Products (30%)

FRM Topics covered in syllabus are as follows:

Here questions are asked from financial products and the markets topics.

- Futures and forwards
- Equity options, swaps, and other derivatives
- Commodities

- Currencies
- Corporate bonds and interest rates
- A basic understanding of arbitrage arguments and hedging related to these financial products.

Valuation and Risk Models (30%)

- Basic bond valuation and bond hedging
- Valuation using binomial trees
- An understanding of the Black-Scholes-Merton model
- Value-at-Risk (VaR)
- Expected and unexpected loss estimation
- Stress testing.