

CFP® Certification Examination Topics List Correlation Table

GENERAL PRINCIPLES OF FINANCIAL PLANNING (11%)	<i>Tools and Techniques of Financial Planning, 9th Edition</i>	Supplemental Reading
1. Financial planning process		
A. Purpose, benefits and components	Chapter 1, "What is Financial Planning?"	Garrett's Guide, 2 nd ed.: Chapter 1; Appendix C; Appendix D
B. Steps		
1. Establishing client-planner relationships	Chapter 3, "Steps in the Financial Planning Process"	Garrett's Guide, 2 nd ed.: Chapter 1; Appendix C; Appendix D
2. Gathering client data and determining goals and expectations		Garrett's Guide, 2 nd ed.: Chapter 1; Appendix C; Appendix D
3. Determining the client's financial status by analyzing and evaluating general financial status, special needs, insurance and risk management, investments, taxation, employee benefits, retirement, and/or estate planning		Garrett's Guide, 2 nd ed.: Chapter 1; Appendix C; Appendix D
4. Developing and presenting the financial plan		Garrett's Guide, 2 nd ed.: Chapter 1; Appendix C; Appendix D
5. Implementing the financial plan		Garrett's Guide, 2 nd ed.: Chapter 1; Appendix C; Appendix D
6. Monitoring the financial plan		Garrett's Guide, 2 nd ed.: Chapter 1; Appendix C; Appendix D
C. Responsibilities		
1. Financial planner	Chapter 2, "Who is a Financial Planner?"	Garrett's Guide, 2 nd ed.: Chapter 1; Appendix C; Appendix D
2. Client		Garrett's Guide, 2 nd ed.: Chapter 1; Appendix C; Appendix D
3. Other advisors		Garrett's Guide, 2 nd ed.: Chapter 1; Appendix C; Appendix D
2. CFP Board's Code of Ethics and Professional Responsibility and Disciplinary Rules and Procedures	Chapter 7, "Ethics and Disciplinary Rules"	The Process of Financial Planning – Developing a Financial Plan: Chapter 2, "Ethics, Laws, and Regulations: How Standard Impact the Plan, Process, and the Profession"
A. <i>Code of Ethics and Professional Responsibility</i>		
1. Preamble and applicability		
2. Composition and scope		

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3. Compliance		
4. Terminology		
5. Principles		
a. Principle 1–Integrity		
b. Principle 2–Objectivity		
c. Principle 3–Competence		
d. Principle 4–Fairness		
e. Principle 5–Confidentiality		
f. Principle 6–Professionalism		
g. Principle 7–Diligence		
6. Rules		
B. <i>Disciplinary Rules and Procedures</i>		
3. CFP Board’s Financial Planning Practice Standards		
A. Purpose and applicability		Garrett’s Guide, 2 nd ed.: Chapter 1
B. Content of each series (use most current <i>Practice Standards</i> , as posted on CFP Board’s Web site at www.CFP-Board.org)	Chapter 8, “Financial Planning Practice Standards”	
C. Enforcement through <i>Disciplinary Rules and Procedures</i>		
4. Financial Statements		
A. Personal	Chapter 16, “Personal Financial Statements”	Garrett’s Guide, 2 nd ed.: Chapter 5
1. Statement of financial position		
2. Statement of cash flow		
B. Business		
1. Balance sheet		
2. Income Statement		
3. Statement of cash flows		
4. Pro Forma statements		
5. Cash Flow Management		
A. Budgeting	Chapter 15, “Budgeting and Cash Management”	Garrett’s Guide, 2 nd ed.: Chapter 5
B. Emergency fund planning		
C. Debt management ratios		Garrett’s Guide, 2 nd ed.: Chapter 5
1. Consumer debt	Chapter 17, “Credit and Debt Management”	
2. Housing costs		
3. Total debt		
D. Saving strategies		
6. Financing Strategies		
A. Long-term vs. short-term debt	Chapter 18, “Financing Asset Acquisitions”	
B. Secured vs. unsecured debt		
C. Buy vs. lease/rent		
D. Mortgage financing		
1. Conventional vs. adjustable-rate mortgage (ARM)		
2. Home equity loan and line of credit		

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3. Refinancing cost-benefit analysis		
4. Reverse mortgage		
7. Function, purpose and regulation of financial institutions	Chapter 21, "Financial Institutions"	
A. Banks		
B. Credit unions		
C. Brokerage companies		
D. Insurance companies		
E. Mutual fund companies		
F. Trust companies		
8. Educational planning	Chapter 10: "Education Funding"	
A. Funding		
1. Needs analysis		
2. Tax credits/adjustments/ deductions		Tax Facts on Investments (2009): Q 1309, 1314, 1412, 1413, 1414, 1438
3. Funding strategies		
4. Ownership of assets		
5. Vehicles		
a. Qualified tuition programs (§529 plans)		Tax Facts on Investments (2009): Q 1413, 1414; Garrett's Guide, 2 nd ed.: Chapter 5
b. Coverdell Education Savings Accounts		Tax Facts on Investments (2009): Q 1309, 1503, 1527
c. Uniform Transfers to Minors Act (UTMA) and Uniform Gifts to Minors Act (UGMA)		
d. Savings bonds	Tax Facts on Investments (2009): Q 1142	
B. Financial aid		
9. Financial planning for special circumstances	Chapter 12, "Special Circumstances"	
A. Divorce		Tax Facts on Investments (2009): Q 1447, 1448; Garrett's Guide, 2 nd ed.: Chapter 5
B. Disability		Garrett's Guide, 2 nd ed.: Chapter 5; CD-ROM
C. Terminal illness		
D. Non-traditional families		Garrett's Guide, 2 nd ed.: Chapter 5
E. Job change and job loss		Garrett's Guide, 2 nd ed.: Chapter 5

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F. Dependents with special needs		
G. Monetary windfalls	Chapter 25, "Monetary Settlement Planning"	
10. Economic concepts	Chapter 19, "Economic Concepts"	
A. Supply and demand		
B. Fiscal policy		
C. Monetary policy		
D. Economic indicators		
E. Business cycles		
F. Inflation, deflation, and stagflation		
G. Yield curve		
11. Time value of money concepts and calculations	Chapter 20, "Time Value of Money and Quantitative Analysis"	
A. Present value		
B. Future value		
C. Ordinary annuity and annuity due		
D. Net Present Value (NPV)		
E. Internal Rate of Return (IRR)		
F. Uneven cash flows		
G. Serial payments		
12. Financial services regulations and requirements	Chapter 6, "Financial Services Industry Regulations"	
A. Registration and licensing		
B. Reporting		
C. Compliance		
D. State securities and insurance laws		
13. Business Law	Chapter 24, "Business Law"	
A. Contracts		
B. Agency		
C. Fiduciary liability		
14. Consumer protection laws	Chapter 17, Credit and Debt Management"	
A. Bankruptcy		
B. Fair credit reporting laws		
C. Privacy policies		
D. Identity theft protections		

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