

Fundamentals & Preparatory CMA Courses

CMA Part 2

The CMA Part 2 exam has six main sections. The six sections and their approximate weights on the exam are:

- 1) Financial Statement Analysis: 25%
- 2) Corporate Finance: 20%
- 3) Decision Analysis: 20%
- 4) Risk Management: 10%
- 5) Investment Decisions: 15%
- 6) Professional Ethics: 10%

The questions on the CMA exams focus on understanding, in-depth thinking on business strategy, and problem-solving ability, not just number crunching. In order to be successful, candidates need to understand the concepts and be able to apply them to situations that are brand new.

The Continuing Education Center (CEC) at AZM University can provide the tools for understanding in these study materials but cannot teach in-depth thinking and problem solving. A candidate's ability to put this information into practice to pass this exam will depend on the effort put into preparing for the exam.

Note: The CMA exams assume that candidates have a prerequisite knowledge of economics, statistics, and financial accounting.

Section A, *Financial Statement Analysis*, represents 25% of the exam. Financial Statement Analysis includes ratios, interpretation of ratios, and other financial statement analysis topics.

Section B, *Corporate Finance*, constitutes 20% of the exam. Corporate Finance includes several topics including risk and return, long-term financial management, raising capital, working capital management, corporate restructuring, and international finance.

Section C, *Decision Analysis*, is 20% of the exam. Topics covered in this section include cost-volume-profit analysis (or breakeven analysis), marginal analysis, and pricing.

Section D, *Risk Management*, is 10% of the exam. It covers enterprise risk, risk assessment, and managing risk.

Section E, *Investment Decisions*, comprises 15% of the exam. Investment Decisions is concerned with capital budgeting.

Section F, *Professional Ethics*, represents 10% of the exam. Ethics is tested in two contexts: ethical considerations for professionals and ethical considerations for the organization.

The exam will consist of 100 multiple-choice questions and 2 essay scenarios, each with several questions.

The multiple-choice questions will **not** be presented in order according to sections. Thus an exam might begin with a capital budgeting question, then follow that with a financial statement analysis question, and so forth.

Only candidates who score a minimum of 50 correct on the multiple-choice portion of the exam will be eligible to take the essay section of the exam.