

CAIIB · Paper 3

Advanced Business & Financial Management

SYLLABUS & PRIORITY GUIDE

Based on the latest IIBF revised syllabus · June 2026

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Exam Snapshot

Papers	4 compulsory (ABM, BFM, ABFM, BRBL) + 1 elective
Questions	100 MCQs per paper
Marks	100 per paper
Duration	2 hours per paper
Pass mark	50/100 per paper, or 45 per paper + 50% aggregate
Negative marking	None
Medium	English & Hindi
Mode	Online (twice a year — June & December)

How to Use This Guide

This guide maps the complete official IIBF syllabus for **Advanced Business & Financial Management**, module by module and chapter by chapter. Each module carries a **priority badge** — **HIGH** (score-driving, study first), **MEDIUM** (steady weight) or **LOW** (read once) — plus a **NUMERICAL / THEORY** tag so you know where calculation practice is needed. Use the Priority Matrix and the Top 10 list for fast revision.

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Module-wise Syllabus

Module A The Management Process

MEDIUM

THEORY

Key focus: Management functions, strategy, organisational behaviour

1. Fundamentals of Management
2. Planning & Decision Making
3. Organising & Staffing
4. Directing, Leadership & Control
5. Strategic Management
6. Organisational Behaviour & Change Management

Module B Advanced Concepts of Financial Management

HIGH

NUMERICAL

Key focus: Capital budgeting, cost of capital, leverage, valuation

1. Financial Management Overview & Goals
2. Time Value of Money
3. Capital Budgeting & Investment Decisions (NPV, IRR, MIRR)
4. Cost of Capital & Capital Structure
5. Leverage Analysis (Operating & Financial)
6. Dividend Policy Decisions
7. Valuation of Securities & Business Valuation

Module C Financial Planning & Working Capital

HIGH

NUMERICAL

Key focus: Working capital, cash/receivables/inventory management

1. Working Capital Management & Estimation
2. Cash & Marketable Securities Management
3. Receivables & Inventory Management
4. Working Capital Financing
5. Financial Planning & Forecasting
6. Funds Flow & Cash Flow Analysis

Module D Risk, Derivatives & International Finance

MEDIUM

NUMERICAL

Key focus: Derivatives, risk hedging, international financial management

1. Financial Risk & Risk Management
2. Derivatives — Futures, Options & Swaps
3. Hedging Strategies
4. International Financial Management
5. Foreign Investment Decisions
6. Emerging Issues in Financial Management

Learning Sessions

Priority Matrix

Module	Priority	Numerical?	Key focus
Module A — The Management Process	MEDIUM	No	Management functions, strategy, organisational behaviour
Module B — Advanced Concepts of Financial Management	HIGH	Yes	Capital budgeting, cost of capital, leverage, valuation
Module C — Financial Planning & Working Capital	HIGH	Yes	Working capital, cash/receivables/inventory management
Module D — Risk, Derivatives & International Finance	MEDIUM	Yes	Derivatives, risk hedging, international financial management

⚙️ Numerical Topics Hotlist

Modules below carry calculation-based questions — practise these with a timer.

Module B — Advanced Concepts of Financial Management

Capital budgeting, cost of capital, leverage, valuation

Module C — Financial Planning & Working Capital

Working capital, cash/receivables/inventory management

Module D — Risk, Derivatives & International Finance

Derivatives, risk hedging, international financial management

10 Top 10 Most Important Topics

- 1 Capital Budgeting (NPV, IRR, MIRR)**
MODULE B · Advanced Concepts of Financial Management
Most-tested numerical area — appears every cycle.
- 2 Cost of Capital & Capital Structure**
MODULE B · Advanced Concepts of Financial Management
WACC and structure numericals are high-yield.
- 3 Working Capital Management & Estimation**
MODULE C · Financial Planning & Working Capital
Heavy concept + calculation load.
- 4 Leverage Analysis**
MODULE B · Advanced Concepts of Financial Management
Operating/financial/combined leverage questions repeat.
- 5 Business & Securities Valuation**
MODULE B · Advanced Concepts of Financial Management
Valuation numericals consistently asked.
- 6 Derivatives — Futures, Options & Swaps**
MODULE D · Risk, Derivatives & International Finance
Payoff and pricing questions are frequent.
- 7 Receivables & Inventory Management**
MODULE C · Financial Planning & Working Capital
EOQ and credit-policy numericals recur.
- 8 Mergers, Acquisitions & Restructuring**
MODULE B · Advanced Concepts of Financial Management
Conceptual + valuation scoring area.
- 9 Cash Flow & Funds Flow Analysis**
MODULE C · Financial Planning & Working Capital
Statement-based numericals appear reliably.
- 10 Dividend Policy Decisions**
MODULE B · Advanced Concepts of Financial Management
Theory and numerical mix, asked regularly.

Insights & Strategy

- **Start here:** Module B (Advanced Concepts of Financial Management), Module C (Financial Planning & Working Capital) carry the highest weight — secure these first.
- **Numerical edge:** Module B, Module C, Module D reward timed practice; a few guaranteed marks come from formulas.

- **Revision loop:** use the Top 10 list as your final-week checklist — those topics alone cover a large share of marks.
- **PYQ habit:** attempt past-year MCQs after every module; pattern recognition beats rote learning in JAIIB.

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