

# CFA Exam Pattern 2026

Complete Guide to Level 1, Level 2 and Level 3 Format | By Allen Aravindan, CFA —  
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If you are planning to start the CFA Program, understanding the exam pattern is the first real step in building a study plan that works. The CFA exam is conducted by the CFA Institute as a computer-based test (CBT) across three levels, and each level tests a different skill: recall, application, and decision-making, in that order. Knowing exactly how each level is structured helps you allocate your prep time correctly instead of studying blind.

This guide breaks down the CFA exam pattern for 2026, covering question types, duration, sessions, and what each level actually expects from you.

## CFA Exam Pattern: Quick Overview

All three levels are computer-based and conducted at CFA-approved test centers worldwide. Every level is split into two sessions on the same day, usually with an optional short break in between. There is no negative marking at any level, so attempting every question is always in your interest. As you move from Level 1 to Level 3, the format shifts from pure multiple-choice questions to case-based item sets, and finally to a mix of item sets and written essay-style responses.

Feature	Level 1	Level 2	Level 3
Format	Standalone MCQs	Item sets (vignettes)	Item sets + essays
Questions	180 MCQs	88 MCQs (22 item sets)	11 item sets + 11 essay sets
Duration	4h 30m	4h 24m	4h 24m
Sessions	2 x 2h 15m	2 x 2h 12m	2 x 2h 12m
Core skill tested	Recall & comprehension	Application & analysis	Judgment & decision-making

## CFA Level 1 Exam Pattern

Level 1 tests your foundational understanding of finance, not your ability to apply it in complex scenarios. Expect:

- Total questions: 180 multiple-choice questions, each with three answer options (no "all of the above" or "none of the above")
- Duration: 4 hours 30 minutes, split into two sessions of 2 hours 15 minutes each, 90 questions per session

- Session 1 typically covers Ethics, Quantitative Methods, Economics, and Financial Reporting and Analysis
- Session 2 typically covers Corporate Issuers, Equity, Fixed Income, Derivatives, Alternative Investments, and Portfolio Management
- Marking: every question carries equal weight, no penalty for wrong answers

Because each question is standalone and unrelated to the others, speed and accuracy on basic concepts matter more than deep analysis at this stage. You get roughly 90 seconds per question, so strong recall of formulas and definitions is essential, especially in Ethics, Quant, and Financial Reporting, which tend to carry significant weight.

## CFA Level 2 Exam Pattern

Level 2 moves from recall to application. Instead of standalone questions, you get vignette-based item sets, short case studies followed by a set of MCQs tied to that case.

- Total structure: 22 item sets (vignettes) with 88 multiple-choice questions in total, 11 item sets and 44 questions per session
- Duration: 4 hours 24 minutes, split into two sessions of 2 hours 12 minutes each
- Scoring: 20 of the 22 item sets are scored; 2 are unscored trial sets used by the CFA Institute, though you won't know which
- Marking: each scored question typically carries 3 points, with no negative marking

Topics tested include Equity Investments, Fixed Income, Financial Reporting, Ethics, and Portfolio Management, among others. The shift here is significant: you're expected to interpret data within a scenario and apply concepts rather than just recall them, which is why most candidates find Level 2 a noticeable jump in difficulty from Level 1.

## CFA Level 3 Exam Pattern

Level 3 is where the CFA Program tests judgment and decision-making, particularly in portfolio management and wealth planning contexts.

- Total structure: a mix of item sets and constructed response (essay) questions, generally 11 item sets and 11 essay sets across the exam
- Duration: 4 hours 24 minutes, split into two sessions of 2 hours 12 minutes each
- Format: one session usually leans more toward structured response (essay) questions, where you write out calculations and justify your reasoning; the other uses item sets similar to Level 2
- Marking: each vignette or essay set is generally worth a fixed point value (commonly cited as 12 points), and grading on essays depends on how clearly you justify your answer, not just the final number

Portfolio Management, Private Wealth, and Private Markets make up a large share of Level 3 (often cited around 30-35%), with the rest spread across asset allocation, ethics, and derivatives. The skill being tested isn't just "do you know the concept" but "can you apply it the way a practicing portfolio manager or

wealth advisor would."

## Key Rules That Apply Across All Levels

- Every exam is computer-based and conducted at designated test centers
- Both sessions are mandatory at every level; you cannot skip one
- All questions within a session are compulsory, with no optional sections
- There is no negative marking, so never leave a question unattempted
- The CFA Institute now also requires Practical Skills Modules (Excel and Python-based online labs) to be completed for Level 1 results, though they don't count toward your timed score

## Why Understanding the Pattern Matters

Many candidates jump into studying content without first understanding how they'll be tested, and end up overprepared on theory but underprepared on exam technique. Level 1 rewards speed and recall. Level 2 rewards your ability to extract the right information from a case and apply the correct framework under time pressure. Level 3 rewards structured, justified reasoning, not just a correct answer.

Knowing this in advance lets you practice in the right format from day one, rather than realizing the gap only when you sit for your first mock exam.