

Mastering Your Calculator for the CFA Exam: A Guide to the BA II Plus and HP 12C

When preparing for the CFA® exam, candidates often focus intensely on understanding financial concepts, solving complex problems, and memorizing formulas. However, one of the most overlooked — yet crucial — tools for success is your calculator. The CFA Institute permits only two calculators during the exam: the **Texas Instruments BA II Plus** (including the BA II Plus Professional) and the **Hewlett Packard 12C** (including the Platinum edition). Mastery of your chosen calculator can save valuable time and reduce errors on exam day.

Why calculator mastery matters

The CFA exams, especially Levels I and II, involve a high volume of calculation-intensive questions. Topics like Time Value of Money (TVM), bond valuation, cash flow analysis, and statistics require quick, accurate computation. A solid understanding of your calculator's functions can lead to more efficient exam performance and fewer mistakes under pressure.

Approved CFA calculators

1. Texas Instruments BA II Plus (Standard and Professional)

This is the most popular calculator among CFA candidates due to its intuitive interface and lower learning curve.

Key features:

- Time Value of Money (TVM) calculations
- NPV and IRR for cash flow analysis
- Amortization schedule
- Depreciation (SL, DB, SYD)
- Bond pricing and yield
- Interest conversion (effective vs. nominal)
- Statistical functions (mean, standard deviation, regression)

Why choose BA II Plus:

- Easy to use and reset
- Faster than HP 12C for most calculations
- Professional version has better build quality and a few added features like Net Future Value (NFV) and Modified Internal Rate of Return (MIRR)

2. Hewlett Packard 12C (Standard and Platinum)

The HP 12C is a classic choice, favored by some finance professionals for its keystroke efficiency and Reverse Polish Notation (RPN) entry.

Key features:

- Financial and statistical calculations
- Bond price and yield
- Cash flow analysis
- TVM and amortization
- Interest rate conversions

Why Choose HP 12C:

- Durable, long-lasting
- Efficient once you master RPN (though Platinum allows algebraic entry too)
- Built-in functions tailored for finance





Core functions to learn

Time Value of Money (TVM)

You'll need to know how to compute present and future values, annuities, and solve for interest rates and number of periods. Practice these key inputs:

- **BA II Plus:** N, I/Y, PV, PMT, FV
- **HP 12C:** n, i, PV, PMT, FV

Cash Flow Analysis (NPV & IRR)

Understanding uneven cash flows is essential, especially in corporate finance and portfolio management:

- **BA II Plus:** Use the CF, NPV, and IRR keys
- **HP 12C:** Use g CF0, g CFj, f NPV, f IRR

Bond valuation

Calculating clean and dirty prices, yield to maturity, and accrued interest:

- **BA II Plus:** Use the 2nd → BOND menu
- **HP 12C:** Use f PRICE and f YTM with settlement and maturity dates

Depreciation

You'll need to compute depreciation using SL, DB, and SYD methods:

- **BA II Plus:** 2nd → DEPR
- **HP 12C:** Limited to SL and DB

Statistics

Basic descriptive stats and linear regression are testable in CFA Levels I and II:

- **BA II Plus:** 2nd → DATA, 2nd → STAT
- **HP 12C:** f $\Sigma+$, f $\Sigma-$, f Σx , f s, etc.

Tips for exam day

1. **Bring spare batteries or a backup calculator:** You are allowed to bring both models to the exam — it's wise to bring a backup in case of malfunction.
2. **Clear memory before the exam starts.**
3. **Disable format settings that can confuse you:** Set decimals to 4 places for more precise answers.
4. **Avoid using unfamiliar functions:** Stick to the core functions you've practiced during your prep.

Practice, practice, practice

Mastery comes through repetition. Use your calculator during every practice session, mock exam, and while reviewing formulas. Make it second nature.

- For **BA II Plus** users: Get comfortable navigating the 2nd function menus.
- For **HP 12C** users: Commit the keystroke sequences to memory, especially if using RPN.

Conclusion

While the CFA exam is intellectually demanding, gaining full command of your calculator gives you a significant edge. Whether you choose the BA II Plus for its accessibility or the HP 12C for its professional heritage, consistent and deliberate practice is key. Invest time learning your calculator — it may be the best return on investment you make in your exam prep journey.