
Financial Modeling using Excel

Overview

This module will introduce the fundamental concepts of financial modeling using Excel.

Learning Outcome Statements

- Design and construct robust financial modeling applications
- Use excel support tools and techniques for financial forecasting
- Utilize sensitivity and scenario analysis
- Significantly improve efficiency of using shortcuts
- Use financial functions efficiently

Key Contents

- Financial Modelling Functions
 - Internal Rate of Return
 - Net Present Value
 - Volatility
 - Trend Analysis
 - Value At Risk
 - Monte Carlo Simulations
- Sensitivity Analysis
- Scenario Analysis
- Implementing a break-even analysis
- Loans
 - Loan amortisation
 - Implementation of annuity-based payments
 - Implementation of straight-line amortisation
 - Modelling interest expense

Basics for Financial Modelling

- Breakdown & grouping of accounting elements
- Determine drivers of the model
- Assumptions for projections

Building Models

- Projection of P&L, balance sheet and cash flow
- Balancing numbers
- How to deal with circular references
- How to prevent circular references
- protection, range names, data validation
- Building a model with assumptions

Valuation Concepts

- Company valuation techniques
- Practical application of valuation constituents
- Weighted Average Cost of Capital (WACC)
- Free Cash Flow (FCF) methods
 - Terminal Value liquidity pricing