



FINANCIAL MODELING CURRICULUM



DAY 1 – 8 HOUR

MODULE 1: OVERVIEW

- Introduction to Financial Modelling and its Growing Importance
- Scope of Financial Modelling
- Types of Financial Models
- Effective selection of the proper type of financial model
- Critical Competencies and Skillsets required for financial modeling
- Understanding and Creating a Financial Model Template
- Implementing simple business modelling case in Excel
- Key Issues in Designing a Model

MODULE 2: UNDERSTANDING BUSINESS MODELS AND IDENTIFYING CONSTRAINTS

- Understand the Business Model and Operating Model Data Collection from Public Sources
- Preliminary Scrutiny of the Data and Information
- Understanding the Business Profile of the Company
- Understanding the Chosen System of Inputs, Business Activities, Outputs and Outcomes That Aims to Create Value Over the Short, Medium and Long Term Business Drivers Identification and Modelling
- Identifying the Constraints of a Business Model



ACTIVITIES

- Exercise: Group Discussion to Identify the Business Models and Their Key Constraints of 3 Real-life Companies

MODULE 3: UNDERSTANDING RELATIONSHIP BETWEEN FINANCIAL VARIABLES

- Working with Growth Rates, CAGR and Proportions
- Rules of the Three Financial Statements: Income Statement, Balance Sheet, Cash Flow Statement
- Reading the Annual Report
- Linkages between the Three Financial Statements
- Top Down and Bottom Up Methodologies
- Analyze Revenue Drivers Cost Behavior
 - Fixed Cost vs Variable Cost
 - Capital Expenditure vs Revenue Expenditure
- Understanding Debt and Interest
- Understanding Working Capital
- Time Value of Money, Long Term Financing, Cost of Capital, Risk and Return and its Implications in Decision Making



ACTIVITIES

- Exercise: Participants Will Build Models based on Case Studies:
 - Cost | Revenues | Operating Expenses | Interest | Income Tax | Cash and Cash Equivalents | Current Liabilities



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DAY 2 – 8 HOUR

MODULE 4: HANDS-ON PRACTICE

- Participants Work on Three Case Studies along with the Trainer to Understand Various Aspects of Financial Modelling, Through Use of:
 - Common Size Financial Statements
 - Analysis of Various Ratios
 - Trend or Pattern Analysis
 - Industrial Comparatives



CASE STUDIES

- Building Models for Pricing Decisions
- Building a Business Plan/Budget for a Client
- Evaluating Long Term Project

MODULE 5: MODELING FOR UNCERTAINTIES

- The Importance of Uncertainty for Model Building and Decision Making
- Evaluate the Impact of Uncertainty in Financial Variables on the End Outcome
- Introduction to Risk Modeling
- Integrate Uncertainty by Performing Risk Analysis
- How to Select Distributions and Incorporate Uncertainty in a Financial model
- Use Scenario Analysis for Decision Making when Uncertain Events are Likely
- Modelling Scenarios - What's the Best Way to Run Scenarios?

MODULE 6: DASHBOARDING

- Advanced MS Excel Formulae and Functions for Efficient Financial Analysis
- Charting using MS Excel
- Creating Self-service Dashboards using Latest BI Tools in MS Excel
- Deciding the Best Method for Visual Display
- Principles of Dashboard Design - Best Practices
- Common Mistakes when Building a Dashboard



ACTIVITY

- Work with Data Sets to Arrive at an Insight and Present it Using Powerful Charts in MS Excel