MVAC 401: Financial Modelling   **Total Hours: 30**

Course Objective: The course focuses on mastering intermediate Microsoft Excel functions for financial modelling. Students will analyse and interpret company performance through financial statements, identify key revenue and cost drivers, and begin forecasting. They will also learn to build financial models and scenarios from scratch, without using templates.

Course Contents:

Unit I: Intermediate level Excel for financial Modelling: **6 Hours**

Formatting of Excel Sheets; Use of Excel Formula Function; Advanced Modelling Techniques-Extrapolation, Histogram 1.4 Data Filter and Sort; Charts and Graphs; Table formula and Scenario building; Lookups: Vlookup Match & offset, pivot tables

Unit II: Analysis of Financial Statements: **6 Hours**

Introduction to Financial Statement Analysis; Financial Reporting Mechanics; Understanding Income Statement, Balance Sheet; Cash Flow Statement; Financial Analysis Techniques; Inventories, Long Lived Assets; Non-Current Liabilities; Financial Statement Application

Unit III: Financial Ratios: **6 Hours**

Ratio analysis of industries; Du point Analysis; Peer to peer analysis; Preparation of Financial Analysis report on an industry

Unit IV: Business Finance: **6 Hours**

Time value of money; Long term financing; Cost of capital; Measure of Leverage Project Finance; Project evaluation; stage of project; construction & development phase; funding during investment phase; Costs during investment phase; Life of project; Decision making; Cash flow waterfall & resolve circular reference problem in interest during construction.

Unit V: Equity Research Modelling: **6 Hours**

Prepare an Income Statement, Balance sheet, Cash Flow Statement, Geographic Revenue Sheet, Segment Revenue Sheet, Cost Statement, Debt Sheet, Analyse Revenue Drivers; Forecast Geographic & Segment Revenues, Cost Statement, Debt, Income Statement, Balance Sheet, and Cash Flow Statement; Performa Adjustments, Income Statement - Compute Margins, Balance Sheet -Compute Ratios; Cash Flow Statement Projection, Valuation- Discounted Cash Flow Method (DCF), Valuation – Relative Valuation (Football Field Chart); Valuation – Assumptions for Valuation Model, Prepare Valuation Model, Prepare Presentation Sheet, Prepare Company Overview, Sector Overview

Text & References:

Financial Modelling by Simon Benninga

Financial Modelling by Paul Pignataro

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