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INTRODUCTION TO FINANCIAL MODELLING IN EXCEL

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COURSE LENGTH: 1.0 DAYS

This course is a combination of financial theory and practical application of financial concepts in Microsoft Excel. A large component of the course will be centred around the application of the Discounted Cash Flow Model (DCF), a popular valuation method used to assess the value of projects and companies. At the completion of this course, participants should be able to construct a DCF Model, as well as have a good understanding of the underlying financial concepts used to build it.

INTRODUCTION TO FINANCIAL MODELLING IN EXCEL COURSE OUTLINE

FOREWORD

Financial modelling is widely employed within industry because it forces us to critically think about how a business or project will perform in the future, as well as how risky we believe it to be. Additionally, in constructing a DCF model, you will need address many of the corporate finance issues commonly encountered within industry today.

Finance plays a central role in almost all industries, and acquiring foundational knowledge benefits almost all working professionals. Some examples include the following:

Investment Bankers: employ financial models to help them triangulate a "market price" for the firm/business they are trying to sell.

Engineers: use financial models to help them evaluate the feasibility of new projects, such as mine sites, oil wells, and manufacturing plants.

Lawyers: are commonly asked to develop cases regarding the assumptions used to value assets/businesses/projects, and whether these assumptions were appropriate.

Board members/Executives: need a working knowledge of basic finance to understand merger and acquisition deals, as well as how best to structure their firm.

OUTCOMES

- Developing a Discounted Cash Flow Model (DCF)
- Understanding and ability to apply Project
- Evaluation Criterion (NPV, IRR, Payback Periods)
- Calculating Free Cash Flows
- Estimating Beta for public and private firms.
- Estimating the Cost of Equity and WACC
- Understanding how key variables to the DCF impact upon project and business valuation.
- Ability to utilise Excel's Data Tables and Goal Seek

MODULES

Lesson 1: Developing a Discounted Cash Flow Model

- Developing a Discounted Cash Flow Model

Lesson 2: Understanding and ability to apply Project Evaluation Criterion (NPV, IRR, Payback Periods)

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Lesson 3: Calculating Free Cash Flows

- Calculating Free Cash Flows

Lesson 4: Estimating Beta for public and private firms

- Estimating Beta for public and private firms

Lesson 5: Estimating the Cost of Equity and WACC

- Estimating the Cost of Equity and WACC

Lesson 6: Understanding how key variables to the DCF impact upon project and business valuation

- Understanding how key variables to the DCF impact upon project and business valuation

WEB LINKS

- View this course online
- In-house Training Instant Quote