

Introduction to Financial Modelling

For those new to Financial Modelling, this course will introduce the fundamentals and concepts of building a financial model using Excel. This is a practical course in which you will develop the skills to build your own financial model which can be taken away for future reference.

Prerequisites

The course material includes use of Excel and participants will gain the maximum benefit from this course if they are already using spreadsheets. It is designed for users who do use (or will use) Excel on a semi-regular basis, and are comfortable with using its basic tools and functions. It is assumed that participants have either undertaken a basic Excel Introduction course, or else are able to:

- Navigate confidently in Excel
- Create and use simple formulas
- Link between workbooks

This course builds on students' basic knowledge of simple formulas and incorporates these into a financial model.

Software used

Public courses are run in a computer laboratory with workstations provided. Participants may bring their own laptops if they prefer. The course is demonstrated using Microsoft Excel 2010, but students can use Excel 2003 or 2007 if they prefer. Course materials contain instructions for all versions, and Excel 2011 for Mac users are also catered for.

Learning Objectives

During the course, participants will create their own financial model to take away and use for future reference. You will learn how to design and create a user-friendly model which can then be taken away for future reference.

You will learn to:

1. Select which formulas are appropriate in different situations
2. Use absolute and relative cell referencing for modelling
3. Identify common errors in modelling
4. Use techniques to prevent model errors
5. Document model assumptions
6. Link and change variables
7. Prevent data from being changed by protecting your model
8. Build and use drop-down boxes

Course Content

What is Financial Modelling?

Overview of Financial Modelling
Upgrading from Excel 2003 to 2007 or 2010
Tool selection
Purposes of financial models

Formulas

Selecting the correct formula
Adjusting formulas manually
Working with dates
Applying absolute and relative cell referencing

Error Prevention

Modelling techniques to reduce potential for error
Identifying common errors
Building a simple error check formula

Building Financial Reports

Review of Profit & Loss statements and Cashflow forecasts

Assumption Documentation

Why document assumptions?
Linking to source referencing

Protecting your Model

Using worksheet protection to prevent entry
Restricting data entries using data validations
Protecting your workbook using “Read Only” and password protection
Hiding unnecessary information

Scenario Analysis

Using scenario manager
Adjusting inputs variables to impact outcomes
Presenting different scenarios in a table

Presenting the data

Using charts to display data
Creating a dynamic chart which changes according to variables
Summarising model data into a presentation

Comments from past students

Thank you, I really enjoyed the introductory course on Financial Modelling; the course is well-structured and organised, and it delivers!

The course was exactly what I was looking for. It sets the fundamentals right for a robust financial model and teaches ways to go around building one. The speed and contents were just right for me and the online option was just great.... Will surely recommend this course.

Thanks for the course, I learnt a great deal!