



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

It is assumed that participants have either undertaken a basic Excel Introduction course, or else are able to:

- Navigate confidently in Excel
- Use absolute cell references
- Create and use simple formulas
- Link between workbooks

Software used

Workstations are provided. The course is demonstrated using Microsoft Excel 2007, but students can use Excel 2003 if they prefer.

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

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



Course Content

What is Financial Modelling?

Overview of Financial Modelling
Major differences between Excel 2007 and 2003
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

"Well structured course, covered the right amount of depth of material, presenter was interested in what she was presenting (more like passionate!)"

"Good practical information on business modelling and forecasting. Very applicable for day to day use in business"

Presenter

Danielle Stein Fairhurst has been a financial analyst for the past twelve years, and is the principal of Plum Solutions, a consultancy specialising in financial modelling and analysis. She has extensive experience in a number of industry sectors, including telecoms, information systems and financial services. She holds a Master of Business Administration (MBA) from Macquarie Graduate School of Management, and has taught management accounting subjects at Sydney University.