



Course Title: Financial Modeling

Credit Units: 03

Course Level: PG

Course Code: FIBA605

L	T	P/S	SW/FW	No. of PSDA	TOTAL CREDIT UNITS
2	-	-	2	3	3

Course Objectives:

1. This is a “hands-on” course, with extensive use of computers and spreadsheets with a objective to develop spreadsheet and management skills for creating computer based models for analyzing a variety of decision problems facing by financial managers and professionals.
2. Students will be able to learn how to create computer based models to prepare, analyze and use financial statements & financial ratios, Cash budgets, cost of capital, leverages, and capital investments and any financial concept as working model.
3. Students will be able to use a variety of spreadsheet tools and techniques to take decisions.

Prerequisites:

Students should be aware of finance concepts. The student should be knowing Financial statements and Financial Management.

Course Contents/Syllabus:

	Weightage (%)
Module I Excel in financial modeling	20%
Descriptors/Topics Introduction, Microsoft excel, Lookup functions, finance functions, what if analysis, Goal seek analysis, Insert charts, Formulas, other functions, finance, logical, reference, date functions. Tools like data validation and developer tool.	
Module II Financial statement Analysis	20%
Descriptors/Topics Introduction, Building Financial models, , Ratio analysis, Sensitivity analysis, looking at the probabilistic analysis of the best and worst case scenario, working capital	
Module III Financial Management	20%
Descriptors/Topics Building financial calculator, loan amortization schedule, Selection of projects using capital budgeting techniques.	

Module IV Cost of Capital	20%
Descriptors/Topics Introduction, Capital structure of the company, Market base methods, Calculation of enterprise value, Significance of EV/EBITDA, Significance of EV/Sales and other relative comparisons.	
Module V Latest Developments, Trends and Practices	20%
Descriptors/Topics Advance functions of excel, case study, Equity research valuation models	

Student Learning Outcomes:

After completing the course students will be able to –

1. **Examine** financial problem statements.
2. **Develop** financial models for variety of decision problems.
- 3 **Apply** Excel for preparing financial statements and as a problem solving technique.
4. **Appraise & Audit** any financial model & improvise

Pedagogy for Course Delivery:

The basic objective of the course is to equip the students with the understanding of excel. The course shall be delivered through lectures, assignments shall be given, and caselets will be discussed. Hands on training on excel

List of Professional Skill Development Activities (PSDA):

1. Preparation of Financial model
2. Scenario Analysis
3. Decision Making Through Capital Budgeting Techniques

List of Experiments:

Assessment/ Examination Scheme:

Theory L/T (%)	Lab/Practical/Studio (%)
	100%

Theory Assessment (L&T):

Continuous Assessment/Internal Assessment (____ %)					End Term Examination (____%)
Components (Drop down)	Class Test	ANALYSIS & INTERPRETATION	Project	Attendance	
Linkage of PSDA with Internal Assessment Component, if any		Scenario Analysis	Preparation of Financial model & Decision Making Through Capital Budgeting Techniques		
Weightage (%)	10	5	10	5	70

Lab/ Practical/ Studio Assessment:

	Continuous Assessment/Internal Assessment (____ %)				End Term Examination (70 %)		
Components (Drop down)							
Weightage (%)							

Text

- **Mastering Financial Modelling in Microsoft Excel by Alastair L.Day, Edition-2017. Prentice Hall.**
- **Financial Modelling with Excel by Francis J. Clauss**

References:

- **Financial Modelling (MIT Press) by Simon Benninga**
- **Financial Modelling in Practice by Michael Rees**
- **Financial Modelling and Valuation by Paul Pignataro (WILEY)**