

Financial Modeling - Basic to Intermediate

Program Name: Financial Modeling

Level: Basic to Intermediate

Duration: 12 hrs

Introduction:

This program will help the learners understand how to use specific Excel functions in the context of building Dynamic Financial Model. Additionally, the interlinkages between financial statements will help them build a model ground up.

Learning Path:

- 1 Pre-Work (eLearning 60 mins.)
- 2 Web-based LIVE Training Session
- 3 Post-session assignments after every webinar (eLearning 15 mins.)

Overview:

- 1 Essential Modeling Concepts & Formulas
- 2 One case study will be taken up to explain the general linkages between Assumptions, Working Schedules, Income Statement, Balance Sheet and Cash Flow Statement. This will ensure that the model is correctly integrated.
- 3 A full-blown Financial Model (Greenfield Coal-fired/ Hydro Power Plant Project) will be taken up

Pre-Work eLearning (60 mins.)

- 1 Top 10 Must-Know Excel Shortcuts
- 2 How to audit a Financial Model or a Budget Sheet?
- 3 Date Formulas - DATE, DAY, MONTH, YEAR
- 4 Using Cell Reference (\$)
- 5 Logical Functions - IF AND OR
- 6 MAX() function's use in Financial Models & Budget
- 7 How to audit a Financial Model or a Budget Sheet?
- 8 VLOOKUP with MATCH
- 9 INDEX with MATCH
- 10 Data Validation - Drop down list
- 11 SUMIFS and COUNTIFS

<https://courses.yodalearning.com/p/financial-modeling-prep-kit-2021>

Post-session assignments (eLearning 15 mins.)

- 12 Data Tables (What If analysis)
- 13 Goal Seek (What If analysis)

DAY 1 of 2

1 Essential Model Components

Learning Objectives: Understand modeling techniques to incorporate commonly needed scenarios

- 1 Timing and Event activation Flags (True/False)
 - o Logical Functions using IF, AND, OR
 - o Operation Start Flag
 - o Operation Continued Flag
 - o Periodic Flag
 - o Operational Year sequence counter
 - o Loan Repayment Flag
- 2 Building automated timeline (FY)
- 3 YoY Price/Cost Escalation

- 4 Loan Repayment Counter (Start & Stop)
- 5 Waterfall Structure of funding - Equity drawdown, followed by Debt and Govt Grant
- 6 Scenario Building using INDEX & MATCH - Base, Best, Worst [refer 1b - Pt 2]
- 7 Slabs-based Calculation using VLOOKUP w. TRUE

8 Discussion - Pre-Work eLearning

2 Interlinking Financial Statements

Learning Objectives: Understand modeling techniques to interlink the components of Financial Statements

- 1 Overview of general linkages between Income Statement, Balance Sheet and Cash Flow Statement.
- 2 Basic Exercise based on the above
- 3 Overview of how a Financial Model looks like (Case Study - Hydro Power Plant - Greenfield Project)

DAY 2 of 2

3 Creating a Model based on a Hydro Power Plant

Learning Objectives: Work on a Financial Model end-to-end

- 1 Shortlisting key drivers & setting up an Assumption sheet
- 2 Assumptions build-up (Project Start Date, Gestation Period, Project Commissioning Date etc.)
 - o Accommodating project delays
 - o Upfront capex in a phased manner
 - o Building automated timeline (FY)
- 3 Timing and Event activation Flags (True/False)
- 4 Revenue Buildup (PPA / Merchant Sale) with YoY escalation in prices
- 5 Capex Schedule (The journey from Capex > CWIP > PPE or Gross Fixed Assets) + Expense projection
- 6 Using BASE for accrual-based accounts
- 7 Amortization/Depreciation schedule
 - o Building depreciation calculations that stops after the book balance is fully depreciated
- 8 Interest during Construction (IDC) – to be capitalized [relevant for Project Finance Models only]
 - o Hard Capex vs. Soft Capex (IDC)
 - o Dividing Interest accrued between IDC and P/L in the year of start of operation
- 9 Waterfall Structure of funding
- 10 Incorporating Revolver Balance & Minimum Cash Balances
- 11 Debt schedules & repayment
- 12 Working Capital schedule & Linkages
- 13 Building iterative calculation for Interest
 - o Incorporating circularity switch to build a failsafe mechanism in case iteration leads to irreversible errors
- 14 Overview Formulas - XIRR, XNPV; Developer Tab's Option Button - if time permits ***

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