

Quartic Training Essential Financial Modelling



Public Course - 2 day programme

	DAY 1	DAY 2
Lecture	Introduction: Need to know how to build a model to use or review one effectively Best practice modelling techniques: Model layout The four main steps when developing a model: Plan, Document, Build, Finalise	Sensitivity analysis – how easy it is to add sensitivity analysis to a well structured model after the basic model has been written <i>(includes a demonstration worked by the lecturer)</i>
Exercise		Exercise 4 – Adding sensitivity analysis to the full financial forecasting model we now have
Break		
Lecture	Income Statements – How to prepare financial forecasts for income statements <i>(includes a demonstration worked by the lecturer)</i>	DCF valuation – the basic theory behind DCF valuation. Some words on the derivation of a discount rate and problems with CAPM. How to code your DCF valuation to take account of the actual times when cash flows actually occur
Exercise	Exercise 1 – Starting with a blank spreadsheet and building a simple first draft income statement using many simplifications and assumptions	Exercise 5 – Adding a DCF valuation to the model
Lunch		
Lecture	Cash and interest calculations – working out the time weighted average cash balance to calculate interest more accurately and without creating circular references <i>(includes a demonstration worked by the lecturer)</i>	Presentation, graphics and data tables – how to code a data table to show the effect on the financial statements of making changes to items of input data and how to use graphics to best present these effects <i>(includes a demonstration worked by the lecturer)</i>
Exercise	Exercise 2 – Adding a cash and interest calculation and senior debt	Exercise 6 – Adding data tables and plotting graphs from them to show the effect on the results of a company of varying input figures
Break		
Lecture	Balance sheets – the importance of always including a balance sheet and how to code the backing schedules for each balance sheet item	Excel features, tips & tricks – Session recapping the main Excel features we have used and going on to demonstrate some of the less well understood features of Excel that may be found in more complex models
Exercise	Exercise 3 – Adding a balance sheet. Note that the balance sheet should balance thereby providing one of the few checks over the completeness and accuracy of any model.	<i>(includes demonstrations worked by the lecturer)</i>
Close	Summary of the day	Summary of all points covered during course