# Symbiosis College of Arts and Commerce

(An Autonomous College under Savitribai Phule Pune University)

**SYMBIOSIS**

| Subject code | Semester | I | II | **III** | IV | V | VI | M.Com. | I | II | III | IV |
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| Title of Subject | **S.Y.B. Com with Specialization in Accounting and Finance Honours – Core I** <br> **Semester III** <br> **Title: FINANCIAL MODELLING** |
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| Objectives | 1. To become well versed with Intermediate level Microsoft Excel Functions for the purpose of financial modelling. <br> 2. To analyze, understand and interpret performance of companies through their financial statements <br> 3. To identify revenue and cost drivers and start forecasting data <br> 4. To build scenarios for financial modelling <br> 5. To develop financial models from scratch without using readymade templates |

| Unit | Contents of the syllabus | Number of Lectures |
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| 1. | **Intermediate level Excel for financial Modelling** <br> **1.1** Formatting of Excel Sheets <br> **1.2** Use of Excel Formula Function <br> **1.3** Advanced Modeling Techniques- Extrapolation, Histogram <br> **1.4** Data Filter and Sort <br> **1.5** Charts and Graphs <br> **1.6** Table formula and Scenario building <br> **1.7** Lookups: Vlookup Match & offset, pivot tables | 6 |
| 2. | **Analysis of Financial Statements** <br> **2.1** Introduction to Financial Statement Analysis <br> **2.2** Financial Reporting Mechanics <br> **2.3** Understanding Income Statement, Balance Sheet <br> **2.4** Cash Flow Statement <br> **2.5** Financial Analysis Techniques <br> **2.6** Inventories, Long Lived Assets <br> **2.7** Non-Current Liabilities <br> **2.8** Financial Statement Application | 10 |
| 3. | **Financial Ratios** <br> **3.1** Ratio analysis of industries <br> **3.2** Du point Analysis <br> **3.3** Peer to peer analysis <br> **3.4** Preparation of Financial Analysis report on an industry | 10 |
| 4. | **Business Finance** | 12 |

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| | **4.1** Time value of money | | |
| | **4.2** Long term financing | | |
| | **4.3** Cost of capital | | |
| | **4.4** Measure of Leverage Project Finance | | |
| | **4.5** Project evaluation; stage of project; construction & development phase; funding during investment phase | | |
| | **4.6** Costs during investment phase | | |
| | **4.7** Life of project | | |
| | **4.8** Decision making | | |
| | **4.9** Cash flow waterfall & resolve circular reference problem in interest during construction. | | |
| 5. | **Equity Research Modeling**<br><br>**5.1** Prepare an Income Statement, Balance sheet, Cash Flow Statement, Geographic Revenue Sheet, Segment Revenue Sheet, Cost Statement, Debt Sheet, Analyze Revenue Drivers<br><br>**5.2** Forecast Geographic & Segment Revenues, Cost Statement, Debt, Income Statement, Balance Sheet, and Cash Flow Statement.<br><br>**5.3** Performa Adjustments, Income Statement - Compute Margins, Balance Sheet -Compute Ratios<br><br>**5.4** Cash Flow Statement Projection, Valuation- Discounted Cash Flow Method (DCF), Valuation – Relative Valuation (Football Field Chart)<br><br>**5.5** Valuation – Assumptions for Valuation Model, Prepare Valuation Model, Prepare Presentation Sheet, Prepare Company Overview, Sector Overview | | 16 |
| | **Total Number of Lectures** | | **54** |

**Suggested Reference Books**
1. Financial Modelling by Simon Benninga
2. Financial Modelling by Paul Pignataro

| **Outcomes:** | 1. The student should be comfortable working in excel.<br>2. The student should be able to use the various financial and other tools in excel.<br>3. Introduction to the various modelling technique.<br>4. Prepare report and interpret data using excel.<br>5. Prepare the financial statements using excel. |
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