

# Building a Financial Model

## Of a Company

### Summary

This hands-on course focuses on the skills required to design and create an interactive financial model of a company that adheres to the highest industry standards.

The course material includes model design, logic, construction, financial concepts and accounting treatment. During the seminar, participants will build a model that includes a forecast of a company's income statement, cash flow statement and balance sheet.



#### Prerequisites

Participants should have a solid grasp of basic accounting fundamentals and proficiency with Excel prior to taking this course.



#### Timing

This course requires 1 day.

### Learning Topics

#### 1. Design and Structure a Financial Model

- ✓ Design a clear and logical financial model
- ✓ Discuss the need for a model to serve as a marketing tool
- ✓ Create clearly defined inputs and assumptions
- ✓ Connect strings of data to create assumptions and footnotes

#### 2. Build Powerful Scenarios and Financial Statements

- ✓ Use switches to create effective scenarios and value drivers
- ✓ Forecast and build-up a company's revenues and expenses
- ✓ Design and incorporate a company's income statement, balance sheet and cash flow statement

#### 3. Incorporate all Relevant Schedules

- ✓ Construct all necessary schedules, including:
  - Depreciation / CAPEX Schedule
  - Working Capital Schedule
  - Income Tax Schedule
  - Debt and Interest Schedule
  - Shareholders' Equity Schedule
- ✓ Use Lookup functions within the model to effectively extract information
- ✓ Properly incorporate Senior Term Debt with an amortizing repayment schedule
- ✓ Create a robust Bank Operating Line (or Revolving Credit Facility)
- ✓ Design and incorporate a cash sweep for a company's Bank Operating Line
- ✓ Balance the company's balance sheet

**Building a Financial Model (of a Company) also serves as a preparatory course for the Advanced Financial Modeler (AFM) exam. See [fminstitute.com](http://fminstitute.com) for more information.**