



## CSAP - Financial Modeling Module

The benefits to using spreadsheet modeling for financial management and valuation are undisputed in the world of finance. This module provides hands-on modeling experience that begins with construction of a basic financial model and ends with completion of a full-scale forecasted model with valuation components. This module provides practical modeling tips and techniques as well as valuation tools for valuing a company and determining the effects of mergers and acquisitions. Actual company financial statements are used.

### Available Session(s):

<b>25-Aug-2008 -- 29-Aug-2008</b>	New York	USD \$4675
NY Institute of Finance - Midtown	9:00am - 4:30pm	Mon Tue Wed Thu Fri
Instructor(s):[James E. Morris; ]		
<b>03-Nov-2008 -- 07-Nov-2008</b>	Chicago	USD \$4675
NY Institute of Finance - Chicago	9:00am - 4:30pm	Mon Tue Wed Thu Fri
Instructor(s):[James E. Morris; ]		

### Special Offer

Clients who register for this course will receive a complimentary 6 month subscription to the Financial Times and FT.com. The Financial Times is the world's most respected financial newspaper providing a broad assessment on finance, business and the industrial sector. Subscriptions will start within 6-8 weeks of the application process, and are limited to one per client. For questions about your subscriptions call 800-628-8088 or email [uscirculation@ft.com](mailto:uscirculation@ft.com). US and Canada enrollees only.

### Advance Preparation

No advance preparation required.

### Prerequisites

Undergraduate degree or equivalent, fluency in English, proficiency in basic Excel, word processing skills. Financial calculator required.

## Learning Objectives

Students will be able to:

- Use common function keys
- Construct a basic IF statement
- Differentiate between different ways of summing and counting
- Select alternatives to using the IF function
- Use error trapping
- Control the appearance of numbers and text
- Apply various methods for determining dates
- Select and apply appropriate lookup and reference functions
- Create a Pivot Table to analyze data sets
- Use functions for discounting on uneven periods
- Understand other useful Excel features
- Apply financial modeling best practices
- Project an income statement and balance sheet
- Force-balance the balance sheet
- Construct a Statement of Cash Flows
- Calculate free cash flow
- Incorporate projection scenarios in a model
- Add an automatic cash sweep feature to a model
- Construct a discounted cash flow model to determine the intrinsic value of equity
- Perform meaningful sensitivity analysis
- Construct a valuation sheet to apply the APV valuation approach
- Value a stream of future interest tax shields
- Measure residual earnings (earnings above or below required earnings).
- Determine the value of earnings using accrual accounting
- Determine the value of equity or the firm using multiples

## Alumni Comments

*"Being able to apply valuations to companies as we go."*

*"Great overview of financial modeling"*

*"The strength of the course lies on the competence of the facilitator"*

*"Complete workbook and CDs that can be used over and over again to practice a variety of exercises."*

*"This course entices one to dig more into the world of modeling!"*

**Level:** Basic

**CPE Credits:** 36.0

**Instructional Method:** Group-Live

## Detailed Outline

## DAY ONE

### Advanced Excel for Financial Modeling

- Introduction / Tips & tricks that will help you speed up your spread sheeting
- Multiple sheet models
- Multiple file models
- Drilling down: allows one to double-click a formula, and move back to its source. This can be particularly useful in the creation of menus
- Logical tests
- Protecting your data
- Database activities
- Pivot tables
- Grouping downloaded data by account headings
- Vertical and horizontal lookup tables
- The Choose function
- Interactive formulas to extract data
- String functions
- Data tables
- Outlining
- Graphs
- Indirect addressing

*Each module will be followed up by hands on exercises*

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## DAY TWO

### Financial Modeling

- Introduction and Overview
- Projection-Valuation Modeling Best Practices
- Pro-Forma Modeling
- Exercises

## DAY THREE

- Basic Valuation Techniques
- Case Study: Analyze historic information and develop a projection basis
- Mergers and Acquisitions
- Projecting financial statements for a complex M&A
- Debt capacity and credit analysis for the acquisition
- Alternative financing methods
- Sensitivity analysis on cash flows
- Case Study Exercises
- Cost of Capital and CAPM

## DAY FOUR

- Four Steps using the Gordon Model to determine the cost of capital
- Four steps using the P/E multiple to determine the cost of capital
- Financial Valuation Case Study Exercises Review and Discussion
- Accrual Accounting Valuation
- Accrual accounting valuation exercises
- Valuation Using Multiples
- Multiples valuation exercises
- Transaction Multiples

- Return on equity
  - Seven steps using CAPM to determine the cost of capital
  - Implied risk premium in the current P/E multiple
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## **DAY FIVE**

- Special Valuation Issues
- Implied profit margin
- Three-stage valuation model
- Develop an accrual accounting valuation model Review and Discussion
- Warrants and Executive Stock Options
- Warrant valuation
- Value outstanding warrants
- Share Repurchases
- Using share repurchases to calculate growth in distributions
- Sustainable growth rate
- Share repurchases for comparable companies
- Presentation of Valuation and conclusion

For more information regarding administrative policies such as complaints and refunds, please contact our offices at 212-641-6616.