



Financial Modelling With Excel



COURSE CONTENT

1. SPREADSHEET: DESIGN AND STRUCTURE

Prerequisites

This course is not suitable for inexperienced Excel users. Delegates will be expected to be familiar with the following in Excel:

- Linking Spreadsheets
- IF Function & Nested IF Statements
- And & Or Functions
- Lookup Functions (Horizontal And Vertical Lookup)
- Subtotals
- Conditional Formatting

Course Outline for 1 Day

1. Spreadsheet: design and structure

- Mastering key steps with practical exercises to practically design and structure your spreadsheet layout in order to achieve a well-constructed and error-free financial model - Use tried and tested spreadsheet techniques for tracking company cash flow and monitoring profitability.

- Master the key steps in successfully building a comprehensive and accurate finance model as a decision-making tool by understanding:

- What is financial modelling and its objectives?
- The power of spreadsheets:
- Forecast future cash flows
- Ability to service debt repayments
- Coordinate various revenue and expenditure budgets
- How to avoid the pitfalls of a poorly designed spreadsheet:
- Key variables and rules
- End result of the model
- Formatting of the spreadsheet
- The layout in designing an error-free financial model
- Data Validation



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2. Effectively using pivot tables to enhance the functionality of your spreadsheet model

- Use Pivot Tables to perform a cross-tabulation of data, summarising them into one or more classifications.
- By creating pivot charts, which combine all the same functionality of standard excel charts with the dynamic characteristics of pivot tables, you will be able to achieve a graphic report that updates data whenever it is changed.

Learn how to:

- Understand the key features of a Pivot Table
- Prepare a Pivot Table

3. Applying scenario techniques to determine alternatives and constraints in your financial model

- By creating multiple scenarios for a single 'what-if' model, you will be able to assess each scenario with its own set of variables. Understand relationships between scenarios, using scenario summary and pivot table reports by:

- Defining scenarios in your spreadsheet
- Understanding how to browse your scenarios
- Adding, editing and deleting scenarios

4. Determining the appropriate capital budgeting models to formulate effective capital investment decisions

Practical Exercises

Discover how Excel can help you decide whether to undertake an investment project and correctly rank your projects. Learn how and when to use Excel's NPV, IRR and MIRR functions to assess your capital expenditure project by:

- Understanding the NPV rule for judging investments and projects
- Assessing the IRR rule for judging investments
- Determining the appropriate method to use – NPV or IRR
- Evaluating when IRR and NPV give the same answer
- Establishing when to apply IRR and NPV for different project rankings
- Using modified IRR (MIRR) to overcome the weaknesses of IRR



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