

**St. Joseph's College of Commerce (Autonomous)**  
**#163, Brigade Road, Bangalore – 560 025**

**LESSON PLAN**

**Subject Name:** Financial Modelling

**Lecture hours:** 60

**Objective:**

To familiarize the students with historical information on companies and analyze the company / industry performance on relevant financial parameters. This analysis is then used as an input to build financial models. These models then project the future financial performance of the companies analyzed and hence give us an estimate of the valuation of the companies..

Sl. No	UNIT & OBJECTIVES	No. of Lecture Hours	Methodology/ Instructional techniques	Evaluation/ learning confirmation
<b>UNIT 1</b>	<b>Introduction To Financial Modeling and Excel Proficiency</b>	<b>5 hours</b>		
	<ul style="list-style-type: none"> <li>• Formatting of Excel Sheets</li> <li>• Use of Excel Formula Function</li> <li>• Advanced Modeling Techniques</li> <li>• Data Filter and Sort</li> <li>• Charts and Graphs</li> <li>• Table formula and Scenario building</li> <li>• Lookups: Vlookup</li> <li>• pivot tables</li> </ul>		Lecture with illustration	Class Test/assignment
<b>UNIT 2</b>	<b>Financial Statement Analysis (Based on CFA level I syllabus)</b>	<b>17 hours</b>		
	<ul style="list-style-type: none"> <li>•Introduction to Financial Statement Analysis</li> <li>•Financial Reporting Mechanics,</li> <li>•Understanding Income Statement, Balance Sheet,</li> <li>•Cash Flow Statement,</li> <li>•Financial Analysis Techniques,</li> <li>•Inventories, Long Lived Assets,</li> <li>•Non Current Liabilities,</li> <li>•Financial Statement Application</li> </ul>		Lecture with illustration	Class Test/assignment
<b>UNIT 3</b>	<b>Financial Ratios (Based on CFA level I syllabus)</b>	<b>2 hours</b>		
	<ul style="list-style-type: none"> <li>•Ratio analysis of industries</li> </ul>		Lecture with	Class

	<ul style="list-style-type: none"> <li>•Du point Analysis</li> <li>•Peer to peer analysis</li> <li>•Preparation of Financial Analysis report on an industry</li> </ul>		illustrations	Test/assignment
<b>UNIT 4</b>	<b>Financial Management &amp; Corporate Finance</b>	<b>7 hours</b>		
	<ul style="list-style-type: none"> <li>•Time value of money</li> <li>•Long term financing</li> <li>•Cost of capital</li> <li>•Measure Of Leverage</li> </ul>		Lecture with illustration	Class Test/assignment
<b>UNIT5</b>	<b>Project Finance Modeling</b>	<b>11 hours</b>		
	<ul style="list-style-type: none"> <li>• Why Project evaluations</li> <li>• Stage of project</li> <li>• Construction &amp; development phase</li> <li>• Funding during investment phase</li> <li>• Costs during investment phase</li> <li>• Life of project; decision making</li> <li>• Cash flow waterfall &amp; resolve circular reference problem in interest during construction.</li> </ul>		Lecture with illustration	Class Test/assignment
<b>UNIT 6</b>	<b>Equity Research - Modeling (You will learn how to prepare Indian &amp; international Equity models from scratch)</b>	<b>14 hours</b>		
	<p>Prepare an Income Statement, Balance sheet, Cash Flow Statement, Geographic Revenue Sheet, Segment Revenue Sheet, Cost Statement, Debt Sheet, Analyze Revenue Drivers.</p> <p>Forecast Geographic Revenues, Segment Revenues, Geographic Revenues, Cost Statement, Debt, Income Statement , Balance Sheet, Cash Flow Statement.</p> <p>Performa Adjustments, Income Statement - Compute Margins, Balance Sheet -Compute Ratios.</p> <p>Cash Flow Statement Projection, Valuation- Discounted Cash Flow Method (DCF), Valuation Prepare Valuation Model, Prepare Presentation Sheet, Prepare Company Overview , Sector Overview</p>		Lecture with illustration	Class Test/assignment
<b>UNIT 7</b>	<b>Report Writing &amp; Sector overview</b>	<b>4</b>		
	<ul style="list-style-type: none"> <li>• Report Writing: On the basis of Financial Modeling.</li> <li>• Overview of different sectors such as retail, telecom, IT, Oil &amp; Gas etc.</li> </ul>		Lecture with illustration	Class Test/assignment

**Proposed CIA schedule:**

CIA 1: Moodle test on concepts

CIA 2: Assignment on Equity Research - Modeling, Project Finance Modeling

CIA 3: Final FM exam.