

**Name of the Programme: MBA**

**Course Code: MGA-609**

**Title of the course: Financial Modeling**

**Number of credits: 2**

**Effective from: 2022-23**

<b>Prerequisites for the course:</b>	NIL	
<b>Objective:</b>	To enable the participants to use Spreadsheets to make Financial Decisions by building models.	
<b>Content:</b>	<p><b>Unit I: Understanding Financial Modelling</b> Overview of designing models using a spreadsheet – Attributes of the spreadsheet, Common faults, Design Process, Examining User needs and required user interface, Breaking down the calculations into manageable groups, Producing individual modules, Menu structure, Management reports and Summaries, Development, Auditing and sensitivity testing, Documentation. Features and Techniques.</p> <p><b>Unit II: Building a Financial Model Using Spreadsheet</b> Analysing performance (P&amp;L Account, Balance Sheet, Key Ratios, Trend Analysis, Sustainability), Cash Flow (Deriving Cash Flow, Strained Cash Flow and Overtrading), Forecasting Models (Regression, Data Smoothing, Cyclicity and Seasonality), Variance Analysis (Budget Variances, Flash Reports and Graphics), Cost of Capital (CAPM, WACC, growth model), Bonds (Pricing, Yield Measurement, Convexity and Sensitivity and Portfolio Duration), Risk Analysis, Depreciation, Company Valuation, Optimisation, Decision Trees.</p>	10 hours  20 hours
<b>Pedagogy:</b>	Lectures/Tutorials/Laboratory Work/ Field Work/ Outreach Activities/ Project Work/ Vocational Training/Viva/ Seminars/ Term Papers/Assignments/ Presentations/ Self-Study/ Case Studies Etc. or a Combination of Some of these. Sessions shall be Interactive in nature to enable Peer Group Learning.	
<b>References/ Readings:</b>	<ol style="list-style-type: none"><li>1. Shmuel Oluwa; Hands-On Financial Modelling with Microsoft Excel; Packt; 2019 or Latest Edition.</li><li>2. Daniel Stein Fairhurst; Using Excel for Business Analysis: A Guide to Financial Modelling Fundamentals; Wiley; 2015 or Latest Edition.</li><li>3. Pandey I. M.; Financial Management; Pearson, India; 2022 or Latest Edition.</li><li>4. M Y Khan and P K Jain; Management Accounting, Text, Problems and Cases; McGraw Hill Education; 2018 or Latest Edition.</li><li>5. Alastair L. Day; Mastering Financial Modelling in Microsoft Excel; Pearson; 2012 or Latest Edition.</li></ol>	
<b>Course Outcomes:</b>	At the end of this course, the participants will be able to: <ul style="list-style-type: none"><li>• Design and build Financial Models using Spreadsheets to make business decisions.</li></ul>	

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