

## Corporate Finance Modeling

Module 8, 2018  
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### Course description

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The key objectives of the course are to:

- Familiarize with modeling standards and techniques, generally accepted by corporate finance professionals worldwide.
- Utilize standard modeling functionality of MS Excel.
- Develop of project financial model, applying the rules and techniques learnt.

### Course requirements, grading, and attendance policies

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Confident knowledge of Financial Accounting, Corporate Finance and MS Excel. You need to have a laptop every lesson.

The grade will consist of:

- 1) 20% – few value drivers’ trees drawn.
- 2) 80% – financial model built under technical specification given. The specification will be provided 3 weeks prior to the course end. Both real and test inputs may be applied for modeling, feasibility of assumptions will not affect the final mark.
- 3) Bonus marks (max 0.5) and delay penalties (0.5 per each week of delay).

### Course contents

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Week	Date	Topic	Reading
1		<ol style="list-style-type: none"><li>1. Corporate finance vs. other models</li><li>2. Modeling process</li><li>3. Model specification</li><li>4. Golden rules</li><li>5. Core MS Excel functionality in-use</li></ol>	
2		<ol style="list-style-type: none"><li>1. Temple spreadsheets</li><li>2. Flag technique</li><li>3. Inputs sheets and scenario switchers</li></ol>	

<b>Week</b>	<b>Date</b>	<b>Topic</b>	<b>Reading</b>
3		<ul style="list-style-type: none"><li>• Control accounts</li><li>• Fixed assets and capex modeling</li><li>• Revenue and opex</li><li>• Working capital</li></ul>	
4		<ul style="list-style-type: none"><li>• Debt and equity modelling</li><li>• Target finance and cash sweep</li><li>• Cash flow bridge</li><li>• Ratios and covenants</li></ul>	
5		<ul style="list-style-type: none"><li>• Scenario and sensitivity analysis</li><li>• Basic VBA macros</li><li>• Modeling review</li></ul>	

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### **Additional reading**

1. Mastering Financial Modelling in Microsoft Excel: A Practitioner's Guide by Alastair Day - a useful guide for those really getting into financial modelling in detail)
2. Spreadsheet Modelling Best Practice by Nick Read and Jonathan Batson of IBM dated 1999 - a useful publication that uses simple examples to illustrate best practice modelling
3. Data Analysis and Business Modelling by Wayne L. Winston
4. [www.exceltip.com](http://www.exceltip.com), [www.spreadsheetspage.com](http://www.spreadsheetspage.com), [www.planetaexcel.ru](http://www.planetaexcel.ru)

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### **Academic integrity policy**

Cheating, plagiarism, and any other violations of academic ethics at NES are not tolerated.