

EXCEL MODELLING FUNDAMENTALS

COURSE OVERVIEW

This course aims to equip participants with the knowledge and skills necessary to build effective financial models using Excel. You will learn how to utilize advanced Excel functions and financial forecasting techniques to analyze financial data and make informed decisions. Through this course, you will explore best practices in constructing forecasted financial statements, including balance sheets, income statements, and cash flow statements. Additionally, you will gain an in-depth understanding of how to use Monte Carlo Simulation for risk assessment and dealing with uncertainty in financial models. You will also learn advanced Excel techniques such as using arrays and the OFFSET function to create dynamic ranges, as well as how to build interactive interfaces using drop-down menus. Finally, the course will address the risks of relying solely on IRR as an investment appraisal metric and provide alternative solutions to mitigate these risks.

TARGET COMPETENCIES

- Financial Modeling
- Excel Functions
- Forecasting Techniques
- Monte Carlo Simulation
- Data Analysis
- Risk Assessment

COURSE OBJECTIVES

By completely attending this course, participants will be able to:

- Construct comprehensive financial models utilizing Excel functions.
- Apply best practices to develop accurate forecasted financial statements.
- Implement Monte Carlo Simulation for risk assessment and analysis.
- Utilize advanced Excel techniques, including arrays and offset functions.
- Demonstrate the importance of considering multiple metrics beyond IRR for investment appraisal.
- Create dynamic models with the use of match functions and drop-down menus.
- Interpret and analyze financial data effectively to inform strategic decision-making.

TARGET AUDIENCE

This course is ideal for financial analysts, accountants, finance managers, and business professionals seeking to enhance their financial modeling skills and Excel proficiency for more accurate forecasting and decision-making.

COURSE METHODOLOGY

The course will be delivered through a combination of instructor-led presentations, hands-on exercises, and interactive discussions, ensuring active engagement and practical skill acquisition.

COURSE OUTLINE

INTRODUCTION TO FINANCIAL MODELING

- Understanding the role of financial modeling in decision-making.
- Overview of Excel's capabilities for financial modeling.
- Importance of accuracy and reliability in financial models.
- Introduction to common Excel functions used in financial modeling.

EXCEL FUNCTIONS FOR FINANCIAL MODELING

- Explore the most essential Excel functions for financial modeling.
- Application of functions for data manipulation, analysis, and presentation.
- Financial models file structure in Excel.
- Tips and tricks for efficient use of Excel functions in modeling.

BEST PRACTICES IN MODELING FORECASTED FINANCIAL STATEMENTS

- Principles of constructing forecasted balance sheets, income statements, and cash flow statements.
- Techniques for projecting revenues, expenses, and cash flows.
- Assumptions and drivers into financial models.
- Validation and stress-testing forecasted financial statements.

MONTE CARLO SIMULATION MODELING

- Understanding Monte Carlo Simulation and its applications in financial modeling.
- The construction of the models in Excel.
- Risk assessment and uncertainty.
- Interpretation and communication of results.

ADVANCED EXCEL TECHNIQUES

- Importance of using arrays for efficient data processing and analysis.
- The power of the OFFSET function in dynamic range creation.
- Data lookup and validation using MATCH function.
- Interactive and dynamic interfaces with drop-down menus.

THE DANGER OF USING IRR IN ISOLATION AND POSSIBLE SOLUTIONS

- Limitations of IRR as a sole metric for investment appraisal.
- Introduction to alternative metrics such as NPV, MIRR, and payback period.
- The shortcomings of relying solely on IRR.
- Strategies for mitigating the risks associated with using IRR in isolation.

To register or for complete course information

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