Course:

Financial Modeling in Microsoft Excel

Duration: 2 Days (9:00 – 16:00)

Description

This class is designed for students who wish to go beyond the standard Excel training and desire an introduction to the application of spreadsheets to Finance. Students will learn the fundamentals to sound financial modeling, date math, innovative ways to create key financial graphs, and function combinations that enhance financial modeling.

Prerequisites

- Microsoft Excel Advanced (Expert Topics & Data Management)

Who Should Take This Course?

Users of Excel 2000 who want to become high-end-user specialists in the application of the software to Finance.

Objectives

- ✓ The fundamentals to sound financial modeling
- ✓ Date Math
- ✓ Application of the Time Value of Money concept to the decision making process utilizing Excel
- ✓ Beyond standard Excel charting with an emphasis on the application to Finance.
- ✓ Dynamic ranges, charts, and modeling

Outline

Keyboard Shortcuts to Live and Die By
- Navigation
- Relative / Absolute
- Mouse & Selecting Tricks
- Transpose row and column

Useful Excel Knowledge
- Go To / Special
- Pop Up Pictures in Your Spreadsheet!
- IS Functions
- INDEX & COUNTA
  - Reference last entry in a list
- Offset
  - Calculating Year to Date Values
  - Dynamic Ranges
- Array Formulas
  - Calculating Year to Date Values
  - Multiple Criteria Text Lookup
  - Multiple Criteria Calculations
- Criteria Based Custom Number Formats
- Excel Bloat – Removing
- Text Parsing
- Vlookup & Hlookup function
- Weekday & Networkdays
- If functiion

Financial Modeling Rules
- Simple Rules to Follow That Makes Building
  - Big Models Easy

Time Value of Money and Date Math
- Concept of present value

Interest
- Simple
- Compounding

Date Formulas
- EDATE()
- EOMonth()

Net Present Value and IRR
- NPV & PV Concept
- Net Present Value
- FV Concept
- Payback Period Concept
- IRR & MIRR & XIRR Concept
- Profitability Concept
- Choosing Investments via Cashflows
  - Leasing Example
  - NPV vs. IRR
- PMT & IPMT & PPMT function
- Data Table

Financial Modeling – Mortgage Calculator Model
- Designing Mortgage Calculator Model That Will
  - Solve for Cashflows Given Any Three of the
  - Following Four Items: Interest Rate, Number
  - of Periods, Payment, Loan Amount
- Date Math
- Dynamic Cashflow Schedule
- Conditional Formatting
- Prepayment Effects
- Solving Budget
- Case Study