Business Finance and Financial Modeling- Course Syllabus

Topic 1: Valuation

- Introduction to valuation
    - The importance of valuation
    - Understanding enterprise value and equity value
- Valuation method 1: Comparable Company Analysis
    - Selecting comparable companies
    - Spreading comparable companies
    - Analyzing the valuation multiples
    - Concluding and understanding value
- Valuation method 2: Precedent Transactions Analysis
    - Selecting comparable transactions
    - Spreading comparable transactions
    - Concluding value
- Valuation method 3: Discounted Cash Flow (DCF) analysis
    - Understanding unlevered free cash flow
    - Forecasting free cash flow

- o Forecasting terminal value
- o Present value and discounting
- o Understanding stub periods
- o Performing sensitivity analysis
- Weighted Average Cost of Capital (WACC)
  - o Using the CAPM to estimate the cost of equity
  - o Estimating the cost of debt
  - o Understanding and analyzing WACC
- Concluding valuation
  - o Aggregating the three methodologies
  - o Concluding value

Topic 2: Building an Integrated Cash Flow Model

- Introduction to financial modeling
  - o Understanding the links between the financial statements
  - o Understanding circularity
  - o Setting up and formatting the model
  - o Selecting model drivers and assumptions
- Modeling and projecting the financial statements
  - o Projecting the income statement
  - o Projecting the balance sheet
  - o Projecting the cash flow statement
  - o Creating the debt and interest schedule
  - o Revolver modeling
- Analyzing and concluding the model
  - o Analyzing the output
  - o Stress testing the model
  - o Fixing modeling errors
  - o Advanced modeling techniques
- Using the model to create a Discounted Cash Flow (DCF) Analysis

Topic 3: Recruiting, Interviewing and Conclusion of the Course

- Recruiting and Interviewing
  - o What are financial institutions and investment banks looking for?
  - o General interviewing overview
  - o Qualitative/fit questions
  - o Technical questions
- After the interview
  - o Following up
  - o Selecting a firm
  - o Selecting a group