

Name of College: S. R. Luthra Institute of Management								
Faculty	Management			Program	Master of Business Administration (M.B.A.)			
Year	II			Version	1.0			
Semester	4			Effective From	June 2024			
Course Code	MGMB14401	Course Name		Financial Analysis & Modeling (FAM)				
Teaching Scheme				Examination Scheme				
Credits	Lecture (L)	Tutorial (T)	Practical (P)	ME	CE	SE	V	Total
4	4	0	0	30	40	50	---	120

Course Outcomes:

CO1	Analyze the concepts of financial modeling and related functions of spreadsheet.
CO2	Develop financial models using financial statements.
CO3	Estimate the value of a firm through DCF, Asset based Valuation and Comparable Company valuation parameters through financial modelling.
CO4	Apply financial modeling techniques for equity research and analysis.

Mapping Course Outcomes to Program Outcomes:

	PO1	PO2	PO3	PO4	PO5	PO6
CO1	2	3	1	2	1	2
CO2	3	3	1	2	2	3
CO3	3	3	1	2	2	3
CO4	3	3	1	2	2	3



Sr. No.	Module	Description	CO	Marks	Hours
1	I	<u>Introduction to Financial Modeling and Spreadsheets:</u>	1	12	08
		Introduction to Financial Modeling			
		<ul style="list-style-type: none"> ● Concept and Overview ● Application of Financial Model ● Characteristics of a good financial model ● Stages of Financial Model ● Role of Financial Modeller ● Best practices of Financial Modelling ● Steps to build a financial model and its applications. 			
		Financial Functions			
		<ul style="list-style-type: none"> ● PV, FV, Rate, PMT, NPER, NPV, XNPV, IRR, XIRR. 			
		Statistical Function			
		Lookup and References:			
		<ul style="list-style-type: none"> ● Lookup, VLookup, Match, Choose 			
		Other Functions			
		<ul style="list-style-type: none"> ● Data Filter and Sort, Charts and Graphs, Pivot tables, Data validation 			
		What - If analysis			
2	II	<u>Financial Statement Modeling:</u>	2	10	08
		<ul style="list-style-type: none"> ● Introduction to financial Statements Financial Statement Analysis and Forecasting Performance ● Three Statement Financial Model (Cash flow, P&L and Balance Sheet) ● Ratio Analysis ● Du point analysis 			
3	III	<u>Financial Modeling and Valuation:</u>	2	14	12
		<ul style="list-style-type: none"> ● Introduction to valuation <ul style="list-style-type: none"> ● Importance ● Understanding the Enterprise Value and Equity Value ● Valuation Method – Comparable Company based valuation, Assets based valuation, Discounted Cash Flow valuation. 			

		<ul style="list-style-type: none"> • Comparable Company Analysis: <ul style="list-style-type: none"> • Selecting comparable companies • Spreading comparable companies • Analysing the valuation multiples and summarising it. • Net Asset Based Value: <ul style="list-style-type: none"> • Calculation the Net assets of the firm using book values and Market / replacement value • Discounted Cash Flow (DCF) analysis: <ul style="list-style-type: none"> • Understanding levered and unlevered cash flow • Forecasting free cash flow and terminal value • Present value and discounting • Sensitivity analysis • Concluding Valuation and aggregating the Methodologies. 			
4	IV	<p>Financial Modeling and Portfolio Management:</p> <ul style="list-style-type: none"> • Basics of risk, return and beta • Portfolio Optimization (Markowitz optimization using Historical method and variance-covariance method) using Solver. • Stock Price Simulation (Using applications of Random numbers) • Risk management using VaR 	4	14	12

References:

Books:	
1.	Sengupta, C. (2009). Financial analysis and modeling using Excel and VBA (Vol. 456). John Wiley & Sons.
2.	Winston, W. (2016). Microsoft Excel data analysis and business modeling. Microsoft press.
3.	Rees, M. (2008). Financial Modeling in Practice. Wiley Finance.
4.	Avon, J. (2014). The basics of financial modeling. Apress.
5.	Avon, J. The Handbook of Financial Modeling. Apress.
6.	https://corporatefinanceinstitute.com/resources/knowledge/modeling/free-financial-modeling-guide/
7.	https://www.wallstreetmojo.com/financial-modeling-in-excel/
8.	https://macabacus.com/learn

