

Financial Modelling (including Forecasting & Planning) Course Descriptor

Course Code	FELBUSI7210	Discipline	Business
UK Credit	30	US Credit	
FHEQ Level	Level 7	Date Approved	
Core Attributes			
Pre-requisites	None		
Co-requisites	None		

Course Overview

Introducing best-practice financial modelling skills the Wall Street way. Students learn how to build models in the most efficient way, adopting best practice in model design and layout. The course begins by introducing the basic interconnections within a three statement model, moving onto more complex modelling issues such as the integration of consensus estimates and complex cash sweep mechanisms.

The models used are reflective of templates used on the desk, by real analysts, at real investment banks. Frequently they integrate live financial data from Felix, this not only ensures the models are a realistic reflection of the work undertaken on the desk, but also ensures the content remains relevant in a rapidly changing sector.

Learning Outcomes

On successful completion of the course, students will be able to:

Knowledge and Understanding

- K2d Demonstrate a critical awareness of an entity's ability to generate cash to achieve its strategic goals.
- K3d Develop a comprehensive understanding of the techniques required to build a fully integrated three statement model.
- K3d Evidence sound judgement when integrating consensus estimates and formulating forecast assumptions, understanding the impact of Environmental, Social & Governance (ESG) factors on forecast performance.

Subject Specific Skills

- S1d Develop skills to manipulate complex financial data in order to evaluate, estimate and model strategic business problems.
- S1d & S3d Research, analyse and evaluate a range of business and ESG data to formulate in-depth forecast models appropriate for evidence-based strategic decision-making.
- S1d & S3d Demonstrate commercial and ESG acumen based on an awareness of the key drivers for business success that have a direct bearing on corporate valuation.

Transferable and Employability Skills

- T1d Exercise initiative when researching problems in order to formulate forecasts and critically evaluate an entity's ability to meet future strategic objectives.
- T2d Use Excel proficiently and efficiently to structure and solve problems.
- T3d Consistently display an excellent level of technical proficiency in written English and command of scholarly terminology, so as to be able to deal with complex issues in a sophisticated and systematic way.

Teaching and Learning

This course is complimented by Felix, from Financial Edge. Students will join 15,000 other users on Wall Street, and have instant access to over 2,500 precise instructor-led videos using Financial Edge's powerful search system. The library grows each week and covers a wide range of topics, from fundamentals to the more advanced. Students can save and build their own library.

The scheduled teaching and learning activities for this course are:

Faculty hold regular 'office hours', which are opportunities for students to drop in or sign up to explore ideas, raise questions, or seek targeted guidance or feedback, individually or in small groups.

Faculty are:

- On campus 2 days a week.
- Students are able to access faculty 24 hours a day, 7 days a week via the Felix platform, with a 48 hour response time.
- Students are able to raise questions directly to faculty through Financial Edge's Virtual Learning Environment.

Students are to attend and participate in all the scheduled teaching and learning activities for this course and to manage their directed learning and independent study.

Indicative total learning hours for this course: 300

Assessment

Both formative and summative assessment are used as part of this course, with purely formative opportunities typically embedded within interactive teaching sessions, office hours, and/or the VLE.

Summative Assessments

AE:	Assessment Activity	Weighting (%)	Duration	Total Length
1	Portfolio 1	35%	4 hours	4,000 words
2	Portfolio 2	35%	4 hours	4,000 words
3	Exam	30%	2 hours	2,000 words

Learning outcomes assessed

Portfolio 1

- Develop a comprehensive understanding of the techniques required to build a fully integrated three statement model.
- Develop skills to manipulate complex financial data in order to evaluate, estimate and model strategic business problems.
- Use Excel proficiently and efficiently to structure and solve problems.

Portfolio 2

- Demonstrate a critical awareness of an entity's ability to generate cash to achieve its strategic goals.
- Develop skills to manipulate complex financial data in order to evaluate, estimate and model strategic business problems.
- Exercise initiative when researching problems in order to formulate forecasts and critically evaluate an entity's ability to meet future strategic objectives.
- Use Excel proficiently and efficiently to structure and solve business problems.

Exam

- Evidence sound judgement when integrating consensus estimates and formulating forecast assumptions understanding the impact of ESG factors on forecast performance.
- Research, analyse and evaluate a range of business and ESG data to formulate in-depth forecast models appropriate for evidence-based strategic decision-making.

- Demonstrate commercial and ESG acumen based on an awareness of the key drivers for business success that have a direct bearing on corporate valuation.
- Develop skills to manipulate complex financial data in order to evaluate, estimate and model strategic business problems.
- Exercise initiative when researching problems in order to formulate forecasts and critically evaluate an entity's ability to meet future strategic objectives.
- Use Excel proficiently and efficiently to structure and solve business problems.
- Consistently display an excellent level of technical proficiency in written English and command of scholarly terminology, so as to be able to deal with complex issues in a sophisticated and systematic way.

Further information about the assessments can be found in the Course Syllabus.

Feedback

Students will receive formative and summative feedback in a variety of ways, written (e.g. marked up on assignments, through email or the VLE) or oral (e.g. as part of interactive teaching sessions or in office hours).

Indicative Reading

Note: Comprehensive and current reading lists are produced annually in the Course Syllabus or other documentation provided to students; the indicative reading list provided below is for a general guide and part of the approval/modification process only.

Indicative Topics

Note: Comprehensive and current topics for courses are produced annually in the Course Syllabus or other documentation provided to students; the indicative topics provided below are used as a general guide and part of the approval/modification process only.

- Students are introduced to efficiency tips, and good practice formatting and model layout.
- Students are shown how to build a three statement model with an iterative circular reference.
- Using a company's consensus estimates for revenues and EBIT, participants prepare a detailed forecast model.
- A review of cash sweep mechanisms and why they are included in loan agreements. Participants then build a three statement model with a cash sweep mechanism.

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- Participants review the common errors found in integrated three statement models, and are given a checking and auditing toolkit.

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