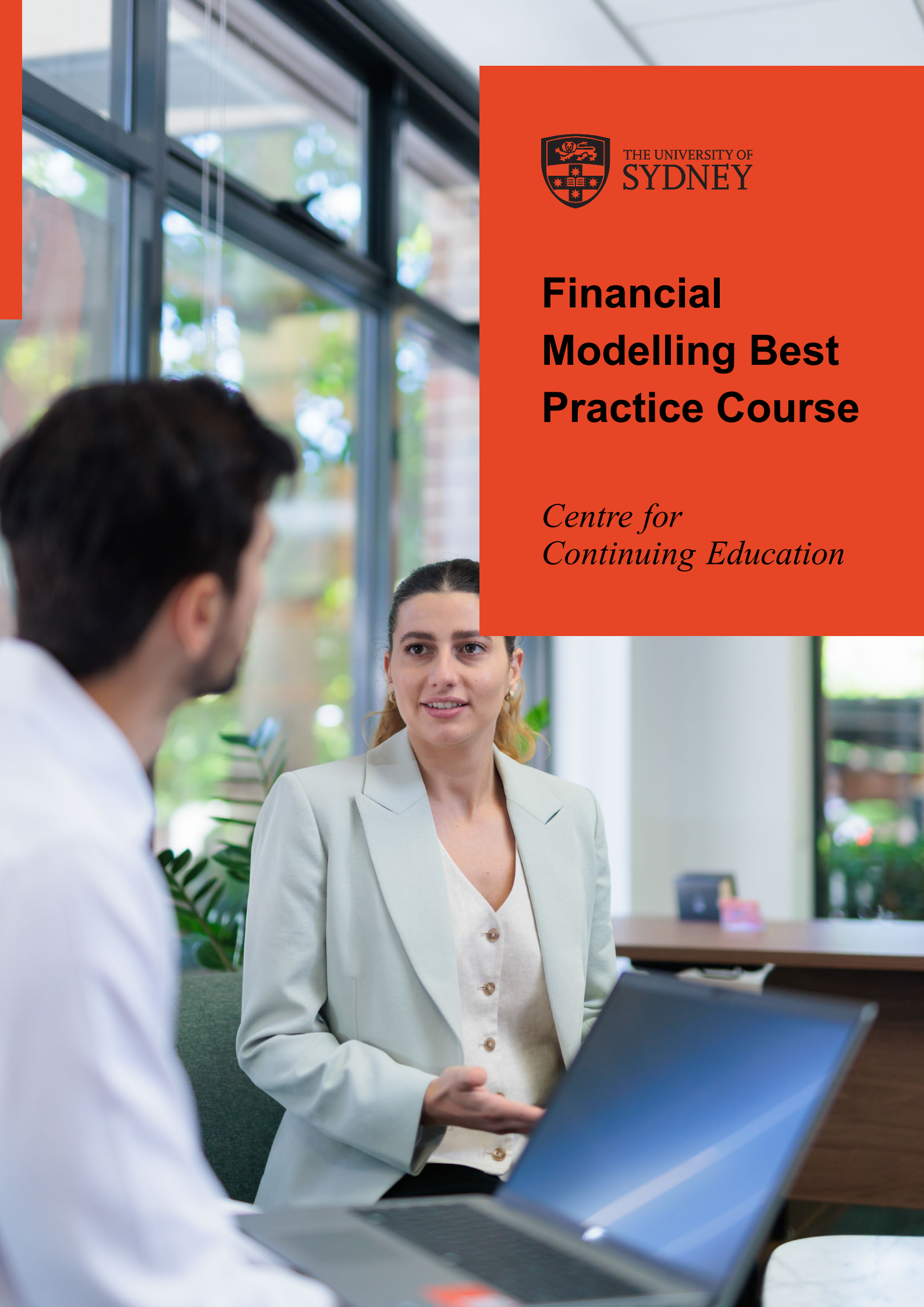

THE UNIVERSITY OF SYDNEY

Financial Modelling Best Practice Course

Centre for Continuing Education

Financial Modelling Best Practice Course

In order for finance professionals to effectively perform their duties, they need to be able to construct robust and transparent financial models that can be easily used and understood by others. Creating such models requires a systematic introduction to the best practice principles that underpin financial modelling.

This course provides an introduction to the disciplines and techniques underpinning the construction of financial models that are transparent and easy to use. The course is structured around 12 tried-and-tested best practice principles, which are the distillation of the lessons learned (often the hard way) over many years working as a professional financial modeller. It is taught in an engaging manner, making use of our real "war stories" and practical exercises.

If you are about to embark on a career that requires building financial models, or you are already doing such work but have never been shown the ropes, then this is the course for you.

Please note that in this course you will not build a financial model from start to finish. The course is about the approach and building blocks. Having completed this course or a similar course, should you wish to build a three-way financial model we would recommend doing the self-paced course Financial Modelling Course Online: The Complete Guide.

Prerequisites

None

Course duration
1 session, 8 hours total

Time
9am - 5pm

Format
Face-to-face
or
Online in real-time

Dates
Browse available
course dates

Intended audience

Suitable for those already working, or about to start working in a career that heavily relies on Microsoft Excel to build models. Typical roles that require these skills include:

- Investment bankers
- Financial analysts
- Commercial analysts
- Strategy consultants.

That said, anyone working in a role that uses Microsoft Excel would benefit from learning the best practice principles. Also suitable for students studying a commerce discipline such as accounting, finance, economics, marketing or actuarial studies at the undergraduate or postgraduate level (including MBA students), or in other fields involving numbers, eg engineering, mathematics, statistics and the sciences.

Upon completion

Every participant receives a University of Sydney certificate of completion.

Aims

This course aims to provide a systematic overview of best practice financial modelling and provide you with the knowledge and confidence to construct financial models (particularly in spreadsheets).

Outcomes

By the end of this course, you should be able to:

- explain why professionals need to build financial models
- explain why most financial models are constructed using Microsoft Excel
- explain where to begin when designing and constructing a financial model
- articulate the questions that should be asked when scoping a financial model
- follow the best practices when constructing financial models
- use styles to ensure consistent and disciplined formatting is used in financial models
- create flags to ensure that logic can be consistently copied across a timeline
- create punch-through calculations when modelling repeating structures
- incorporate error checks into financial models
- use range names to improve the transparency and usability of financial models.
- use the best file type for any financial modelling situation
- follow a file naming taxonomy that minimises the risk of losing work when constructing models
- avoid the worst practices when constructing financial models
- assess whether a financial model that has been presented to them should be relied upon
- methodically find errors that exist in financial models (particularly those built by others).

Content

Why build models?

We start with the fundamental question of why financial models are required (and particularly why professionals are paid large amounts of money to build them). The answer to this question underpins the remainder of this course, which is aimed at ensuring that our financial models are transparent and robust.

Why use Excel?

Next, we focus on why Microsoft Excel has become the tool of choice when building financial models. We also examine the situations in which Excel is not the best tool for the job.

Content contd…

The modelling lifecycle
Here we introduce a problem-solving framework that we use to approach any modelling problem. The framework can be applied beyond financial modelling, but it just also happens to be the go-to paradigm for thinking about financial models. We will walk through each step of the lifecycle to examine what it involves and why it is important.

Modelling best practice
Here we focus on the design and build steps of the modelling lifecycle with reference to 12 best practice principles that should be adhered to. We work through each principle to understand how it got onto the list, and why it is wise to follow it. Several practical activities will be used to solidify the concepts.

The blacklist
Next, we look at the other side of the best practice coin, being the worst practices that should be avoided. We introduce the 9 techniques that should not be used when constructing financial models in Excel, and the purpose of this is to help participants critique models that may be put in front of them. Given the 9 techniques are likely new for most students, we have an activity for each that helps explain how the technique works.

Testing
In the final topic, we introduce a series of techniques that can be used to find errors in models, particularly those built by others. The techniques derive from those that we use as professionals when conducting formal model audits.

"Great teacher (engaging, humorous, easy going, knowledgeable), great real-world examples, great activities, very structured, great Moodle site."

Christina Chung

"Excellent content, exactly what I needed."

Benjamin La

"Before I attended this course, I thought financial modelling was just one of those boring but necessary topics. However, the class turned out to be very informative and interesting. The tutor did an excellent job making difficult concepts easy to understand. I enjoyed the class very much."

Michelle Liu

Delivery style

Delivery involves a mixture of:

- visual content (slides and videos)
- open discussion of concepts
- practical problem solving through designing logic and converting it into Excel formulas.

Materials

You will gain ongoing access to all exercises and teaching materials covered in the sessions. In addition to the slides and activities, the case studies completed will provide an ongoing reference that you can look back on when embarking on solving your own problems with financial models (be it at work or elsewhere).

Organisational training and development

This course can be delivered as a private session for groups, and tailored to meet the needs of your business. Contact us to discuss our range of organisational training solutions.

Learn more

THE UNIVERSITY OF SYDNEY

We recognise and pay respect to the Elders and communities – past, present, and emerging – of the lands that the University of Sydney's campuses stand on. For thousands of years they have shared and exchanged knowledges across innumerable generations for the benefit of all.

Empower ambition,
inspire leadership

For more information

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CRICOS 00026A ABN 15 211 513 464