

SEMESTER-IV

GANPAT UNIVERSITY									
FACULTY OF MANAGEMENT STUDIES									
Program	MBA		Branch/Spec.		MBA Innovation, Entrepreneurship & Venture Development - Elective Subject				
Semester	IV				Version	1.0.0.0			
Effective from Academic Year			2025-26		Effective for the batch Admitted in			June 2025	
Subject code		IVA03AFM		Subject Name		Applied Financial modelling for Business Decision Making			
Teaching scheme					Examination scheme (Marks)				
(Per week)	Lecture(DT)		Practical(Lab.)		Total		CE	SEE	Total
	L	TU	P	TW					
Credit	2	0	0		2	Theory	100		100
Hours	2	0	0		30	Practical			
Objective:									
To provide MBA students with a practical framework for building, analyzing, and interpreting robust financial models to support strategic corporate decisions in valuation, capital budgeting, and mergers & acquisitions.									
Course Outcome:									
CO 1: The students will be able to explain the principles of effective financial modeling and structure a model according to industry best practices.									
CO 2: The students will be able to construct an integrated three-statement financial model to forecast a company's performance.									
CO 3: The students will be able to apply Discounted Cash Flow (DCF) and comparable company analysis to perform a business valuation.									
CO 4: The students will be able to utilize financial models to analyze strategic scenarios, including M&A and capital projects, and effectively communicate model-driven insights.									
Theory syllabus									
Unit	Content								Hrs
1	Foundations of Financial Modelling, The Role of Modelling in Corporate Decision-Making, What is a Financial Model? Structure & Purpose, Modelling Best Practices: Formatting, Structure, Logic (FAST), The Logic of Financial Models: Inputs, Processing, Outputs, Linking the Three Financial Statements (Conceptual), Setting up a Model: Historical Data & Assumption Sheet								6
2	Building the Core Three-Statement Model, Forecasting the Income Statement: Revenue & Cost Drivers, Forecasting the Balance Sheet: Working Capital & PP&E, Building Supporting Schedules: Debt, Interest, CAPEX, Integrating the Cash Flow Statement, Balancing the Model: The "Check" Cell, Techniques for Circularity Resolution (Conceptual), Model Auditing: Error Checks and Logic Review.								8
3	Valuation Modelling, Introduction to Valuation: Intrinsic vs. Relative Value, Building a Discounted Cash Flow (DCF) Model, Calculating Free Cash Flow to the Firm (FCFF), Estimating the Weighted Average Cost of Capital (WACC), Estimating Terminal Value (Gordon Growth & Exit Multiple), Deriving Enterprise Value and Equity Value from DCF, Relative Valuation: Comparable Company Analysis (Comps), Interpreting Results: The Valuation "Football Field" Chart								8

4	Modelling for Strategic Decisions, Scenario & Sensitivity Analysis (Best/Base/Worst Case), Using Data Tables & Scenario Manager for Decision-Making, Introduction to Mergers & Acquisitions (M&A) Modelling, Accretion / Dilution Analysis for M&A, Leveraged Buyout (LBO) Modelling (Conceptual Overview), Project Finance & Capital Budgeting Models, Presenting Model Outputs to Management & Stakeholder.	8
Practical content		
Reference Books		
1.	Benninga, Simon. Financial Modeling. 4th Edition, MIT Press, 2014.	
2.	Rosenbaum, Joshua, and Pearl, Joshua. Investment Banking: Valuation, LBOs, M&A, and IPOs. 3rd Edition, Wiley, 2020.	
3.	Pignataro, Paul. Financial Modeling and Valuation: A Practical Guide to Investment Banking and Private Equity. Wiley, 2013.	
4.	Koller, Tim, et al. Valuation: Measuring and Managing the Value of Companies. 7th Edition, Wiley, 2020.	
5.	Damodaran, Aswath. The Little Book of Valuation: How to Value a Company, Pick a Stock and Profit. Wiley, 2011.	
6.	Tjia, John S. Building Financial Models. 2nd Edition, McGraw-Hill, 2009.	
7.	Winston, Wayne L. Microsoft Excel 2019: Data Analysis and Business Modeling. Microsoft Press, 2019.	
8.	Proctor, Scott. Building Financial Models with Microsoft Excel: A Guide for Business Professionals. 2nd Edition, Wiley, 2018.	
9.	Brealey, Richard A., Myers, Stewart C., and Allen, Franklin. Principles of Corporate Finance. 13th Edition, McGraw-Hill Education, 2019.	
10.	Pearl, Joshua, and Rosenbaum, Joshua. The Little Book of M&A: A Practical Guide to Navigating the M&A Maze. Wiley, 2023.	
11.	Day, Alastair. Mastering Financial Modelling in Microsoft Excel. 3rd Edition, FT Publishing International, 2015.	
12.	Soubeiga, Eric. The Real Estate LBO Model: An Insider's Guide to Financial Modeling. Palgrave Macmillan, 2020. (For applied LBO concepts).	