

Modeling and Forecasting



Input historic data

- Published
- Management



Build ratios and statistics

- Key links
- Performance drivers



Make future assumptions

- From history
- Other inputs



Forecast financial data

- As needed
- Assignment specific

Three Statement Modeling and Forecasting



Historic data

- Income statement
- Balance sheet
- Rearrange to suit assignment
- Some "memo" data for back up calculations



Ratios and statistics

- Industry specific
- Understand business and performance drivers
- Key numbers and relationships



Forecast assumptions

- Based on historic trends
- Check other sources or research as appropriate
- Check the "street" view



Forecast income statement

- Back up calculations
- Key ratios and statistics
- Net income feeds equity on balance sheet
- Leave interest blank initially



Forecast balance sheet

- Back up calculations
- Key ratios and statistics
- Leave cash, revolver and debt blank initially
- Build cash flow statement



Build net debt and interest calculations

- Cash available to service debt
- Long term debt issuance / (repayment)
- Surplus cash / (revolver requirement)
- Ending revolver balance
- Ending cash balance
- Ending long term debt balance
- Interest calculations
- Key ratios and statistics



Build cash flow statement

- Back up calculations
- Operating, investing and financing flows
- Change in assets = inverse cash flow impact
- Change in liabilities = direct cash flow impact
- Link interest into income statement
- Key ratios and statistics



Model will be circular

- Turn on iterations
- Use a circular reference switch
- Turn iteration ON
- Turn switch ON

Keyboard Shortcuts

Navigation

OFFICE SUITE

Jump between open files in any program

Jump between open files within a program

WITHIN EXCEL

One cell move in arrow direction

Move to the left of a row

Screen **up** or **down**

Jump a contiguous block in arrow direction

Jump to the top left of the sheet

Previous or **next** sheet

Screen jump **left** or **right**

Jump to bottom right of filled range

Making Selections

The "sticky" key

Select cell by cell in arrow direction

Select to the start of the row

Select a contiguous block in arrow direction

Extend selection to top left

Extend selection to bottom right

Extend selection to contiguous area

Select entire sheet (twice if in contiguous area)

Select cells referred to by a formula in the active cell

Select all cells with formulas referring to the active cell

Group or **ungroup** cells

Copying and Pasting

Copy selected cells

Paste current selection

Multiple paste of selection

Fill **left to right** or **down from above**

PASTE SPECIAL

Paste **format**, **formula**, **value**

Formatting

Bold, **italic**, **underline**

Open format cells dialogue box

Open cell styles

Open fill color dialogue box

Open font color dialogue box

Access font size field

Access font field

Align **left**, **center**, **right**

Strikethrough text

Hide or **unhide** rows

Hide or **unhide** columns

Nerd Hits

Expand formula bar

Toggle absolute reference in formula bar (cursor must be over cell ref)