



BAKER COLLEGE

STUDENT LEARNING OUTCOMES

FIN 4810 Financial Modeling
3 Semester Credit Hours

Student Learning Outcomes and Enabling Objectives

1. Prepare accounting, financial, and pro forma financial statements using financial modeling.
 - a. Explain various types of financial modeling.
 - b. Apply various financial ratios and analysis to planning.
 - c. Build various current and projected financial statements.
2. Prepare capital budgeting statements.
 - a. Choose potential investment projects.
 - b. Use financial modeling to determine best capital budget project to fund.
3. Examine risk analyses including sensitivity, scenario, and simulation analysis.
 - a. Examine investment decisions using the Monte Carlo simulation.
 - b. Identify various risk using sensitivity, scenario and simulation analysis.
4. Formulate portfolio optimization and allocation recommendations.
 - a. Explain qualitatively, various portfolio recommendations.
 - b. Use various interest rates and ratios of comparison in explanations.
5. Examine using and comparing the single factor capital asset pricing model (CAPM), the three factor Fama-French model, and the Gordon Growth Model
 - a. Model various risk and returns.
 - b. Explain the differences of financial models based on risk.
6. Estimate the cost of capital and value of firm.
 - a. Explore the optimal capital structure using leverage.
 - b. Model leveraged buyouts.
 - c. Examine taking a private company public through an IPO.

Big Ideas and Essential Questions

Big Ideas

- Financial modeling with spreadsheets
- Financial Statements

- Capital Budgeting
- Monte Carlo Simulation
- Cost of Capital
- Valuation of the Firm
- Risk Analysis
- Financial Ratios

Essential Questions

1. Why is modeling financial statements important?
2. How do companies use budgeting to choose an investment?
3. How does a company simulate the risk of an investment?
4. How does optimizing resources, including interest rates, help a company take on less risk?
5. What is the importance of the various components of firm valuation and capital costs?

These SLOs are not approved for experiential credit.

Effective: Fall 2022