



**Investment
Banking
Institute**

Course Syllabus

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[Demystify.Finance](https://www.demystify.finance/)

Course Outline

Topic I

Introduction, Financial Statements Overview & Analysis

- Introduction of professor and students
- Overview of financial sector, its structure, landscape of jobs available
- SEC filings – where to find data and how to use it
- Refresher on accounting – income statements, balance sheet, cash flow
- Analyzing financial statements
- Normalizing financial results
- Financial ratio analysis

Course Outline

Topic II

Comprehensive Valuation Analysis

- How do we value companies?
- Book value v. market value
- Equity value v. total enterprise value
- Three standard valuation methodologies: discounted cash flow, multiples, and precedent transactions
- How to find comparable public companies (comps) in banking and research, spreading financial results and multiples in models
- Types of valuation multiples used
- How to calculate the treasury stock method
- Discounted cash flow – Gordon Growth v. multiples, how to unlever the beta, and the meaning of beta

Course Outline

Topic III

How to create robust financial models

- Tips for creating models
- Spreading historical financials, adding lines for ratios
- How to model projections using income and balance sheet ratios, and judgment
- How to link financial statements so that the balance sheet automatically balances when changing assumptions
- Create a DCF valuation in class, learn how to create sensitivity tables
- Update a model in class for a precedent M&A transaction
- Create a complete model in class, linking all three statements

Course Outline

Topic IV

Leveraged Buyouts (LBOs)

- What is an LBO, and uses for LBO models
- How are LBOs executed, and typical characteristics of acquisition targets
- Discussion of setting up an LBO model, capital structure options, and the internal rate of return (IRR)
- Creating pro forma balance sheet pre and post acquisition, calculating goodwill and new equity structure
- Creating debt and interest schedule
- Create entire LBO model in class, including sensitivity tables and IRR. We will buy a company.

Course Outline

Topic V

Merger Modeling

- Discussion of accretion and dilution
- Treasury stock calculation for options vesting in acquisitions
- Impact of synergies on price paid
- Calculating exchange ratios, types of consideration paid, and impact on dilution
- Collars in stock deals
- Create accretion/dilution model in class. Learn how to model synergies required to break even (no dilution), and different mixes of cash and stock.
- Review full scale M&A model

Course Outline

Topic VI

The Investment Banking M&A Process, A-Z

- What you do on the job
- Role of investment bankers when hired by a client, the timeline
- Advisory, sale or acquisition options
- Types of M&A sales, approaching sellers and buyers
- Coaching clients on valuation and negotiating
- Qualifying buyers – characteristics of a likely buyer
- Non-disclosure agreement, letters of intent
- Due diligence, submitting bids

Course Outline

Topic VI (continued)

The Investment Banking M&A Process, A-Z

- The pitching process
- Deal sourcing
- Creating pitch books

Course Outline

Topic VII

Finding Jobs, Interviewing Skills

- How to leverage your network and find a job
- Common interview questions and how to answer them
- How to market yourself
- Tips for preparing for the interview, tips for during the interview
- Proper resumes, cover letters, thank you letters
- Myriad job opportunities through skills gained in this course in addition to investment banking