FINANCIAL MODELING WORLD CUP

AN EXCITING WAY OF PREPARATION TO FINANCIAL MODELING EXAMS

WHAT IS FINANCIAL MODELING WORLD CUP?

Financial Modeling World Cup (FMWC) is a **global *monthly* financial modeling competition**

FMWC idea came up as a development of a possible CFM prep course.

FMWC brings together financial modelers from all over the world

FMWC participants solve close-to-real-life cases, building financial models in Excel

Every month 3 different cases covering various topics are offered. Past cases are available for exam preparation as well.

FMWC SPECIAL FEATURES

- **Transparent ratings** – everyone can see their place in the overall ratings
- **Young talent identification** through the U-25 age group
- **Regional and National** competitions
- **Great way of learning** financial modeling – solution models are provided
- **Time-stressed training opportunities** for financial modeling exams
- **Great HR tool** for candidate knowledge evaluation
- **$20,000 Prize Fund**

CHAIRMAN – ANDREW GRIGOLYUNOVICH, CFA, CFM, FMVA

CORPORATE FINANCE

- 20 years of experience in financial planning & analysis
- AG Capital – founder & CEO, since 2010
- Previously worked as a CFO and a CEO of 2 large retail companies in Latvia
- Chartered Financial Analyst (CFA), 2005
- Graduated from Stockholm School of Economics in Riga, 2002

FINANCIAL MODELING

- Chartered Financial Modeler (CFM), 2018
- Financial Modeling & Valuation Analyst (FMVA), 2020
- Ranked 5th in the Financial Modeling World Championships (New York, 2017)
- Exam content creator, grader and Approved Training Provider (ATP) for the Financial Modeling Institute (FMI)

PREPARATION TIPS

- 13 topics covered
- 3 topics offered, 2 need to be solved
- Use FMI's sample exams to prepare.
  - Pay special attention to the topics you are least comfortable with/had less exposure previously.
- Use FMWC's Case Bundle to train
  - Keep in mind slight format differences
- Sign up for the proctored Mock Exam
  - Get your exam graded and commented.
- Try to master some new shortcuts to speed up your work.
  - Formatting shortcuts could be useful

CFM CURRICULUM

OPERATIONAL QUESTIONS

- **Revenue:** Create a detailed revenue schedule that considers allocations by
  division, geography, capacity constraints, currency issues
- **Operating Costs:** Create a detailed cost structure that includes tiered pricing on variable costs, multi-currency costing, semi-variable costs
- **Depreciation:** Incorporate accelerated depreciation, build functionality to prevent over-depreciation of assets
- **Working Capital:** Detailed inventory modeling, forecast Accounts Receivable and Accounts Payable in a monthly model
- **Income Tax:** Utilize cascading tax pools/tax losses, calculate earnings for a company in multiple jurisdictions including the impact of timing differences
- **Debt:** Build an advanced capital structure, incorporate multiple pieces of debt, model various debt types and covenants, sweeps, repayments and debt sculpting, incorporate refinancing switches
- **Equity:** Incorporate various concepts including convertibles, buybacks,
  options/warrants, tiered dividends, and dilutive instruments
- **Subsidiaries:** Calculate non-controlling interests and long-term investments

MODEL ROBUSTNESS

- **Model Automation:** Create a detailed and automated summary page
- **Model Checking:** Audit various calculation, linking, and other errors in a model
- **Data Management:** Perform data management with large data sets

SITUATIONAL ANALYSIS

- **Timing Flexibility:** Automate modeling starting/ending dates, multiple timing periods in a model
- **Sensitivity Analysis:** Prepare analysis to automatically sensitize model outputs

KEEP IN MIND

- CFM level is much harder than AFM (13 topics vs. 1 topic)
- Real-life modeling experience helps a lot
- Time-pressure is very strong – there will be no time to look for major mistakes
- Model requirements are elaborate. I would expect an exam case solution model to be in the range of 300-1200 Excel rows.
- But don’t overcomplicate your model – you will lose time and might even get penalty points.

EXAM DAY TIPS AND STRATEGIES

- Apply for the exam group that is timed at your top performing time of the day.
- Sleep well the night before.
- Use model design that you are accustomed to.
- Don’t leave the design to the end. Format your model as you work.
- Select the 1st question that suits your strengths the most.
- Read through instructions and think through the flow of your model. If you feel that a case is too hard, skip fast.
- Re-energize your brain with chocolate or nuts every 45 minutes. Drink water.
- A single mistake will influence the output, but not the score for the next parts if they are correct.

GOOD LUCK!

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