# SIE 567 FINANCIAL MODELING FOR INNOVATION

#### **COURSE DESCRIPTION**

This is a graduate level course on economic analysis of technology/business development for commercialization. Topics include Pro Forma financial statements, time value of money, valuation approaches, and entrepreneurship

### **EXPECTED LEARNING OUTCOMES**

By the end of this course, you will be able to:

- Utilize the concepts related to the time value of money (e.g., loan financing, present value, future value).
- Create Pro Forma Income Statements, Cash Flow Statements and Balance Sheets.
- Interpret financial statements to evaluate the economic potential and business value.
- Determine investments required, financing required, and ownership outcomes of new ventures.

## **COURSE FORMAT**

- In Person I 15-week semester
- Tailored to your professional needs
- 3-credit hour I You may apply it towards SIE MS and PhD programs



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**LECTURE 30** 

Guest Lecture

**LECTURE 31** 

Review, Q&A

on Financial Modeling for

**Process Optimization** 

## **COURSE SCHEDULE**

#### **LECTURE 1**

Course Overview & Introduction

#### **LECTURE 2**

Financial Statement Templates

#### LECTURE 3

► Financial Statement with Inventory & Backlog ► Valuation

#### **LECTURE 4**

Account Receivables and Payables

## LECTURE 5

▶ Time Value of Money

## **LECTURE 6**

► Nominal and Effective Interest Rates

## **LECTURE 7**

▶ Loan

#### LECTURE 8 & 9

► Depreciation and Amortization



**Application** 

## **LECTURE 10**

Taxes

## **LECTURE 11**

Payroll and Expenses

#### **LECTURE 12**

Overhead Rate

#### **LECTURE 13 & 14**

#### **LECTURE 15**

▶ Inflation

#### **LECTURE 16**

Project Risk and Uncertainty

## **LECTURE 17**

▶ No Class (INFORMS Annual Meeting)

## **LECTURE 18**

Project 2

#### **LECTURE 19**

Monte Carlo Simulation with @Risk



Flexible/Interactive Learning



**Bridge Theory & Practice** 

#### **LECTURE 20 & 21**

Replacement Analysis

#### **LECTURE 22**

Ownership

## **LECTURE 23**

Project 3

## **LECTURE 24**

Decision Tree

## **LECTURE 25**

Cost Estimation

**LECTURE 26** 

# Guest Lecture on Cost Estimation

**LECTURE 27** 

## Case Study **LECTURE 28**

No Class

## **LECTURE 29**

Design Economics



**Innovative** Curriculum



**Distinguished Faculty** 

FROM EFFICIENCY TO INNOVATION—LEAD THE FUTURE OF INDUSTRIAL ENGINEERING.