Corporate Bridge Equity Research Online Training Program

www.cbresearch.in
Equity Research Online Training

Welcome to Corporate Bridge Family! We are all pleased to be able to help you navigate through the journey to be an Equity Research analyst. In this introduction, you will find information about the course structure as well as the online resources and how you can best use Corporate Bridge materials.

To derive maximum benefit out of the Equity Research Training Program, Seasoned and experienced Faculty at Corporate Bridge suggest the program flow.

On completion of the online equity research triaining, you should be able to do the following -

- Learn the nuts and bolts of professional analyst’s excel functions and graphs
- Learn professional analyst’s accounting to evaluate historical and current trends of a company in excel.
- Effectively forecast trends and performance of the firm using analyst’s tool like horizontal analysis, vertical analysis and ratio analysis.
- Insights to various sophisticated fundamental valuation tools as used by buy side/sell side analyst and investment Bankers with key focus on Discounted Cash Flows (DCF) , Equity and Enterprise Value Multiples (Relative Valuations)
- Learn complex financial modeling by identifying and utilizing key business drivers and integrating them into a three statement forecasting model for a generic company
- Online animated tutorial - step by step financial modeling guide and 120+ page step by step tutorial guide on Generic Financial Model.
- Learn to efficiently build the financial model of Paints sector – Asian Paints & 100+ page step by step tutorial on Asian Paints Financial Model
- Learn to efficiently build the financial model of FMCG sector – ITC & 150+ page step by step tutorial on ITC Financial Model

How it works?

- Each participant will be released an online access to [www.cbresearch.in](http://www.cbresearch.in)
- 150 hours of Online Training
- Online Mock Tests, Quizzes, Videos & Presentation notes
- E-learning Access to animated video tutorials, step by step guides, presentations, notes Books & Course Material prepared by Research Analysts and Investment Bankers
- 100+ Built-in Financial Analysis Excel Templates
- Online Mock tests for each module
- Formula Cheat-Sheets
- Instant feedback on the performance through online quizzes and Q&A sessions.

**Modes of Training Delivery**

- ✔ Self Study Online Video Library through Elearning Portal
- ✔ Books on Each Module seperately provided
- ✔ Regular Assessment tests – Online & Self appraisal tests
Corporate Bridge Equity Research Program

Details of how to approach each module is provided in the next sections.

Benefits of this Program

✓ Industry First
✓ Retention Strategy
✓ Attract talent
✓ Create Industry Benchmark with Corporate Bridge Brand
✓ Practical & Rigourous Course
✓ Training conducted by Industry Practitioners

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Module 1 – Basic Financial Concepts

Finance for non-finance is a basic module which will help people from non-finance background like engineering or science graduates to get familiar with basic accounting and finance concepts and will help people from finance background to clear and revise their basic concepts which are useful in Equity Research.

Total Number of Hours to be spent on an average on this module before the classroom session should be a minimum of 6-8 hours from our online tutorial of Finance for Non Finance.

- Understanding of financial statements and its basic analysis.
- Discuss the basic financial statements – P&L, B/S, Cash flow statement, and also the concept of matching principle, how a transaction impacts the various accounts and the difference between the accrual and cash basis of accounting.
- Please note that the sessions are not meant to make you a total expert on financial statements (that would require way beyond than 3-4 hours of recording), but to get you to some kind of basic understanding of financial statements on which you can build the understanding of financial models.

Key Take Aways -

- Why Accounting/ Finance is important?
- The story of Accounting
- How to- you read Profit and loss statements
- How to- you read the Balance Sheet
- Understanding Equity Capital
- Analysis of Financial Performance
- Time Value of Money Concept
- Net Present Value
- Payback Concept
- Loan Amortization Table
- Basic ITC case study.
Module 2 - Analysts Advanced Excel Tools

In your career as a finance professional, you would be using Excel day and night. So you should be very comfortable with using excel, not only that you should know the advanced techniques and shortcuts, which would save a lot of your time. Apart from that you should know various charts and graph functions which will not only help you visualize your inputs but will also make your pitch book look more attractive.

- An Equity Analyst spends around 10-12 hours a day working on excel doing financial modeling, valuations and financial statement analysis.
- Try to spend as many hours as possible practicing on Excel. The more time one spends on the module, it will become all easier for you to follow subsequent modules.

Key Take Aways -

- **Using Excel Tools** – This throws more light on excel best practices and important use of tools primarily used for financial modeling
- **Advanced Formulae** – Research work heavily relies upon database and correct and speedy usage of database is very important. VLOOKUP, HLOOKUP, MATCH, INDEX etc helps us deal with such complications
- **What if Analysis** – It helps us create various scenarios which are particularly required for financial modeling – optimistic, pessimistic and most realistic.
- **Advanced Formulae** – Research work heavily relies upon database and correct and speedy usage of database is very important. VLOOKUP, HLOOKUP, MATCH, INDEX etc helps us deal with such complications
- **Graphs & Charts** - This module provides inputs on Special case of Graphs & Charts and also valuation graphs like EV/EBITDA, PE Charts as used by Research Analysts.
Module 3 – Accounting for Equity Analysts

Accounting is the heart of Research Analysis. This module includes the understanding of Financial Statement Analysis. Before the calculation starts, the key challenge is to get the right data from various sources. For example for sourcing financial numbers, we may source it from Annual Reports, NSE / BSE websites etc. Additionally, the ratio analysis done on wrong set of numbers will lead to results which will mislead the analysis. Hence, as an analyst the primary challenge is to fetch the right data.

Key Take Aways -

- Understand Professional Accounting Analysis
- Populate the financial statements from Annual Reports in Excel
- Ratio Analysis – Liquidity Analysis, Common size statements, Internal liquidity analysis, Operating / Risk / Growth Analysis, DuPont analysis - Return on equity / Risk analysis
- Complete the ITC & Asian Paints Case Study on Ratio Analysis
- Identifying the data sources – NSE, BSE, Companies Website
- Populating the historical financial statements on Excel and calculation of Ratios
- “Identify the Shenanigans” i.e. identify management manipulations, if any.
- Conceptual understanding of Inventory Valuations, Depreciation Policies, Leases, Capitalization vs. Expensing
- Concept of Income Taxes
Module 4 – Economics

This sub module would be covering the fundamentals of macroeconomics & microeconomics. The purpose of this course is to give students a thorough understanding of the principles of economics that apply to an economic system as a whole. Such a course places particular emphasis on the study of national income and price-level determination and also develops students’ familiarity with economic performance measures, the financial sector, stabilization policies, economic growth and international economics.

The two modules on Micro and Macro Economics are foundation courses. They may not directly apply in Research but are really useful in building assumptions about the industry/sector.

Key focus area should be to understand the Sector Porter’s five forces and effect of Economic Variables on the stock market.

Recommended Hours
6 to 8 hrs.

Key Take Aways -

- Exchange rates, commodity prices, GDP growth rates, interest rates, IIP Numbers data on Stock Markets
- Understand the business environment of key sectors through Porter’s five forces analysis
- Build Micro & Macro Economic Foundations
Module 5 – Quantitative Analysis

In this module, the key emphasis is on the basic foundations of Quantitative Analysis that are used by Equity Research Analysis. Please do remember that you need to focus on the Business Statistics primarily and Time Value of Money Concepts.

Key Take Aways -

- Learn the concept of Time Value of Money
- DCF is very important and before you move to other modules, make sure that you know this concept
- Statistical concepts like Standard Deviation, Forecasts, Mean, Median, Mode etc are very important to know

Recommended Hours
6 to 8 hrs
Module 6 – Corporate Finance

Corporate Finance allows you to value a project, based on the time value of money. In essence, you are discounting the value of future cash flows to determine if the value today makes the project worthwhile. This emphasizes the value of the concepts of corporate finance in Equity analysis, especially in DCF Valuation technique where we need to discount the future cash flows to determine the present worth of the company. Here the main concepts you would be learning are NPV, IRR etc. We will be using these formulas in DCF Valuation.

Key Take Aways -

- Learn NPV, IRR
- Learn Important Formulas to be applied in DCF.
Module 7 – Equity Valuations Techniques

Equity Valuation is the process of estimating the potential market value of a financial asset or liability. Valuations are required in many contexts including investment analysis, capital budgeting, merger and acquisition transactions, financial reporting, taxable events to determine the proper tax liability, and in litigation.

We look at valuations using two methods -

- **Intrinsic Valuation Method (DCF)** which means primarily determines the value by estimating the expected future earnings from owning the asset discounted to their present value.
- **Relative value** models determine the value based on the market prices of similar assets.

**Key Take Aways** -

- Discounted Cash Flow techniques while learning Dividend Discount Model
- Learn calculation of WACC, Terminal Value and intrinsic value calculations
- Create Scenarios using two-dimensional data tables
- Gathering information for Valuation and choosing appropriate peer group
- Calculating equity value and enterprise Value (EV) and Normalizing earnings
- Calculating fully diluted shares outstanding (options & convertibles)
- Equity value multiples: P/E, P/CF, P/BV, PEG, Dividend Yield
- Asset based valuation, Sum of parts, Replacement cost method, Qualitative factors in valuation - management

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**Recommended Hours**

25 to 30 hrs.

**Nuts & Bolts of Equity Valuation Techniques**

- Introduction to Dividend Discount Model
- Dividend Discount Model - Notes
- Dividend Discount model (without solutions)
- Dividend Discount model (with solutions)
- Dividend discount model (DDM) - Example 1 - Video
- Dividend discount model (DDM) - Example 2 - Video
- Dividend discount model (DDM) - Example 3 - Video
- Dividend discount model (DDM) - Example 4 - Video

**DCF**

We should learn the basics first and apply Dividend Discount Model. If we understand all the core concepts mentioned in this module, it will be fairly simple and easy for us to learn Discounted Cash Flows.

DCF is the primary technique applied for valuing a firm. This module covers DCF Valuation in explicit details but in a way that can be understood very easily. Learn the Enterprise Value calculations in through guided animated videos.

The key in relative valuation is selection of sector specific valuation multiples.

Also learn how Private Equity valuations are different from Public company valuations.

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Module 8 - Comprehensive Financial Modeling for Analysts

Financial Modeling includes professionally forecasting future financial statements like Income Statements, Balance Sheets & Cash Flows. In addition, financial model consists of one or more input parameters along with data and formulas that are used to perform calculations or make predictions. By changing the values of the input parameters, you can do "what-if" studies to see what happens when the inputs change.

Key Take Aways -

- Build a step-by-step advanced financial model
- Learn the Concept of circularity
- Learn the Concept of Cash Sweep
- Understand the Key Linkages of IS, BS and CF
- Ratio Analysis and Margin Assumption Analysis
- Sensitivity using Two Dimensional Data Tables
- Arriving at DCF Valuations using FCFF approach
Module 9 – Sector Specific Financial Modeling

In this live case study application, we apply the basic concepts learnt from previous module to prepare a financial model on Excel. This includes downloading historical reports from the website, populating the financial statements in Excel, Calculation of Ratios and making future integrated financial statements.

Key Take Aways -

- We apply the financial modeling techniques learnt on Asian Paints
- Do have a look at the video library for creating Asian Paints financial model
- As a second case study, apply the techniques learnt on ITC. You can check your answers using the solution key provided in our online library
- Preparation of the model may take time, so please be patient!
- Do not directly look at the solutions; give the financial model a try before preparing the same.

Module 9 – Sector Specific Financial Modeling
Module 10 - Equity Research Report Writing Techniques


- Equity Research Report Writing Techniques
  - Report Writing Presentation
  - Sample Report 1
  - Sample Report 2
  - Sample Report 3
- Equity Research & Finance Interview Preparation
- Equity Research CB Certification Test

Recommended Hours
4 to 5 hrs.

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Module 11 - Equity Research & Finance Interview Preparation

- Equity Research & Finance Interview Preparation
  - Overview of Equity Research - Video
  - Buy side VS sell side - Video
  - Overview of Investment Bank Hierarchy - Video
  - Alternatives Private Equity - Video
  - Overview of Financial Mkts - Asset Management
  - Overview of Financial Mkts - Structured Products
  - Sales Trading Explained - Video
  - Alternatives Hedge Funds - Video
  - Professional CV Preparation
  - Email Etiquettes - Presentation
  - Interview Preparation Video

Recommended Hours
8 to 10 hrs.
Module 12 - Equity Research CB Certification Test

Before you take the certification test-

- Make sure that you have revised your lecture notes and looked at all the video libraries.
- The test contains 60 questions
- Total Marks = 100
- Minimum score for the certification 50%
- No – Negative Marking
- Duration – 3 Hrs.

Key areas to focus on are

- Financial Modeling
- Accounting
- Valuations
- Excel and Excel Functions
- Application of Economics on Equity Markets
- Corporate Finance – NPV, IRR, Payback

FAQs on Certification Exam

Can I receive Certification in Equity Research without enrolling in the self-study program? Also, is there an extra charge for taking the certification exam?
A: Students must complete the self study package in order to take the certification exam. The fee for the certification examination is included as part of premium package enrollment.

Q: What is the structure of the certification exam? Where is the exam administered?
A: The certification examination is an online examination, consisting of multiple-choice questions and focuses on topics covered throughout the Self Study Program. The examination can be taken from any computer with a working internet connection. Students who successfully complete the certification examination will receive a notification and a certificate in the mail within two weeks.
Equity Research FAQs

Product FAQs

Q: How long does it take to complete the self-study program?
A: Equity Research program takes approximately 150-200 hours to complete. Students with a solid foundation in Accounting and Excel will typically be at the lower end of this range.

Q: Who currently uses Corporate Bridge’s programs?
A: Corporate Bridge's self-study programs are used by thousands of MBAs, investment bankers, and other finance professionals, and Corporate Bridge's instructor-led training programs have been used at universities and corporations.

Q: How is this different from what I already learned in school?
A: Everything here is practical and is based on what you actually do in investment banking, as opposed to theory. The Asian Paints & ITC Case Study also presents you with real companies and a real transaction and shows you how bankers would actually analyze it.

Q: Are these real models actually used at banks? How did you create the content?
A: The models here were inspired by real models actually used at banks, but they are not literally real models – if we went in and stole Goldman Sachs’ models and then re-used them in this program, they would sue us and we would have to shut down.

We created the content by gathering real models used at banks and using the features, formatting, and layout as inspiration, and then modifying them as appropriate.

Q: How are these programs different from what I’ll learn by studying for the CFA?
A: The CFA covers a broader set of topics, but it does not go in-depth into the Excel-based financial modeling, valuation, and accounting skills you actually use in investment banking. Corporate Bridge is focused on what you do in the real world, while the CFA is more theoretical and doesn’t teach you what bankers actually do in real-life.

Also, our curriculum does not require hundreds of hours to study and you can get through everything in weeks instead of months or years.

Q: How do your programs differ from other financial modeling training programs?
Here are the key differences:

- Video-Based: All of the instruction here is video-based, first-person in Excel. You never see our faces, and we don’t follow a “text-and-screenshot” model.
- Teaching Method: We teach everything line-by-line, starting with blank or sparsely populated Excel worksheets and then build everything up from there.

Q: Once I complete this course, how can I add it to my resume?
A: You can add it to your resume by creating a line for “Training” as in the example below:

- **Languages**: Fluent in Mandarin; working knowledge of Korean and Japanese
- **Technical Skills**: Familiar with C/C++ programming
- **Training**: Completed Asian paints-Google Case Study on Advanced Operating Model, Valuation, & Financial Model as part of Corporate Bridge Financial Modeling Course
- **Activities**: Founder of Investment Club; Captain of Triathlon Team
- **Interests**: Scuba diving, off-road racing, sky diving, and hang gliding

You can go into more detail and make it a separate entry under Education or Work Experience as well - it depends on how much you have to write about your other experiences.

Corporate Bridge

*Self-Study Financial Modeling Training Program*

- Completed operating model, valuation, DCF, and Valuation & Financial models based on case study of Google and Asian paints.
- Used SEC filings and equity research as basis for models and learned how to adjust numbers and make appropriate assumptions.
**Equity Research FAQs**

**Q:** How can I use this course to prove to interviewers that I know how to model?
**A:** You can print out the models, or parts of models, in the course and bring them with you to interviews. If you can explain everything and show the interviewer exactly what you did, he or she will be impressed. There is actually an entire lesson in the Advanced Modeling program devoted to this, and you get all the appropriate printouts.

**Q:** You mentioned free updates once I sign up. How are these updates delivered?
**A:** Once you sign up for the program(s) you will be subscribed to an email notification list, and you'll receive notices of updates and new additions.

You will also be able to view updates within the members’ area on the site. **Product Updates**

**Q:** Are these updates REALLY free? I don’t believe you.
**A:** Updates within a specific product are free once you sign up for that product. But if we introduce a completely new product, you would have to sign up for that separately.

Here's an example:

Let's say you sign up for the financial modeling program and then we add a few more sample cold-call transcripts and analyses to the course. Since those are part of the financial modeling program, you would get those updates for free.

But now let's say we create a completely new product – a Private Equity Interview Guide, for example. That would be separate and you would have to sign up for that separately. **Product updates**

**Q:** So there are really no additional fees once I sign up for one of your programs?
**A:** No. Everything carries with it a one-time fee, and there are no recurring or monthly fees, and no extra

**Customer Support**

**Q:** I am trying to enroll online but I am getting an error message. What should I do?
**A:** Please contact us by telephone at 9223233568 and a live representative will take your order over the phone.

**Q:** Do you offer phone support for technical questions?
**A:** At this time, all support is via email or via the question & answer system within the site itself. If you have any account or billing question, you can contact our representative on the no’s mentioned on the website.

**Q:** I’m outside the India – can I still pay for this using an international credit card?
**A:** Yes. We use Shopping Cart and PayPal for all transactions, and international credit cards are accepted

**Discounts**

**Q:** I have a group that is interested in enrolling. Are there any discounts?
**A:** That depends on the size of your group. Please contact us at 9223233568 (Email: christine@cbacademy.in) for group rates.

**Q:** What is the Referral Program?
**A:** The referral program is a way for you to earn money by letting others know about the Corporate Bridge program. Contact 9223233568 for more details.

**Q:** Can you give me a discount?
**A:** In the interest of fairness to all customers, we do not offer discounts on standalone products. However, there are package deals available and once you sign up for one program you will receive a 25% members-only discount on all the other programs.