

# Continuing development

## Advanced Accounting and Financial Modeling

### PREREQUISITES

Accounting  
Financial Statement Modeling

### DURATION

Full version – 1 day  
Abbreviated version – 4 hours  
Custom curriculum - available

### RATES & MORE INFO

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- Several areas of accounting and financial modeling pose particular challenges for finance professionals
- Designed to build on the skills gained in a standard analyst and associate training program, this module addresses many of the less understood accounting and modeling concepts encountered in practice.
- The full course is a 1 day course but can be broken out into discrete blocks to offer flexible training options when a full day is not feasible.

## Agenda

### I. Waterfall schedule (45 minutes)

Learn the intuition and mechanics underlying waterfall projection schedules. Trainees will complete a waterfall depreciation schedule and discuss its implications, benefits, and shortcomings.

### II. Deferred tax accounting and modeling (2.5 hours)

Learn the common causes of DTLs and DTAs, best practices for projections and modeling mechanics.

- 1) Definitions and common causes - Key case studies will include projecting DTLs and DTAs created due to depreciation method differences, revenue recognition differences, and NOL rules.
- 2) Estimation and projections - Learn to estimate the tax basis of assets using disclosures typically found in companies' deferred tax footnote, MACRS schedules, and best-practices assumptions.

### III. Understanding and Modeling NOLs (1 hour)

Learn the treatment of NOLs, best practices for projections, and modeling their affects on the financial statements, valuation analysis, and deferred taxes. Trainees will also learn how to incorporate the limitations on carrying over NOLs in certain M&A transactions.

### IV. Intercompany investments (3.5 hours)

Learn the characteristics of, and differences between, the equity method and consolidation method of accounting for intercompany investments. Modeling exercises will clarify accounting concepts, and teach best practices for projecting intercompany investments when building financial models.

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### Agenda - continued

#### IV. Intercompany investments (3.5 hours)

- 1) Equity method – Understand the accounting rules governing equity investments, and impact of these investments on the investor's financial statements.  
. Learn best practices for projecting and modeling equity investments.
- 2) Consolidation method – Understand accounting for minority interests, minority dividends, and appropriate cash flow classifications. Learn how recent changes in accounting standards have affected the calculation of goodwill and minority interest in partial acquisitions.

#### RECOMMENDED FOLLOW-ON CLASS

[Using Macros in Financial Modeling](#)

#### OTHER MODULES

[Basic Accounting](#)

[Basic Excel](#)

[Navigating Financial Reports](#)

[Financial Statement Modeling](#)

[DCF and Valuation Modeling](#)

[Comparables Modeling](#)

[M&A Modeling](#)

[LBO Modeling](#)

[Advanced LBO Modeling](#)

[Oil & Gas Modeling](#)

[Financial Institutions Modeling](#)