



Hands-On Learning Activity: Financial Modelling Overview



In this Hands-On Learning activity, you will apply foundational financial modeling concepts, understand the role of AI in streamlining model creation, and explore how AI can help in data analysis. This activity draws solely from this section's lessons and is designed to be completed

Step 1: Define a Financial Modeling Purpose and Output



- ▶ Choose one business context (e.g., launching a new product, budgeting for a department, or forecasting cash flow).
- ▶ Write a 3-sentence description of the context.
- ▶ Then, state the objective of your financial model and the key outputs you want from it.

Step 2: Identify Inputs and Assumptions



- ▶ List at least 5 key input variables and the assumptions you will make for each (e.g., sales growth rate, cost per unit).
- ▶ Explain why each assumption is important and whether it should be based on historical data or market research.

Step 3: Build a Basic Financial Calculation



- ▶ Using the following data structure, calculate projected revenue for 6 months.
- ▶ Initial monthly sales: \$10,000; Monthly growth rate: 5%
- ▶ Use a spreadsheet or calculator and show the formula you used.
- ▶ List each month's projected revenue and the total revenue for 6 months.

Step 4: Explain How AI Can Support Your Model



- ▶ Describe at least 3 ways Generative AI can assist you in building or refining this model.
- ▶ Include specific actions AI tools could take — such as pulling data, generating templates, or validating formulas.

Step 5: Review and Reflect



- ▶ Write a 150-word reflection on how structuring a model this way improved your understanding of financial modeling.
- ▶ Mention one area where you would need additional human oversight despite using AI.