Financial periods and how to work with them

FINANCIAL FORECASTING IN PYTHON

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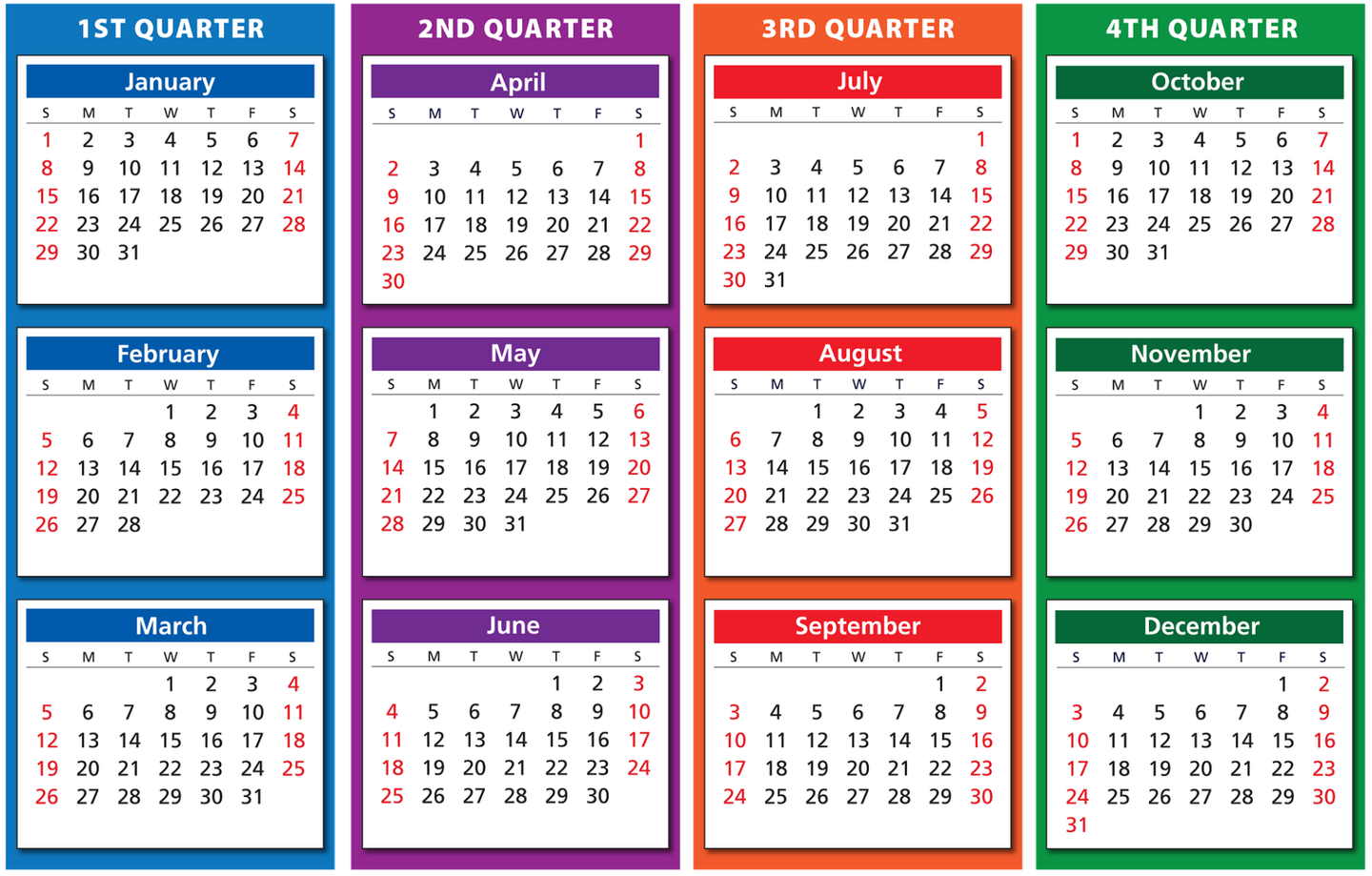
The financial year

- Full reporting year for financial numbers
- Can start and end at any month of the year
  - e.g., Microsoft Financial Year is 1 July - 30 June

2017


1ST QUARTER
January
S M T W T F S
1 2 3 4 5 6 7
8 9 10 11 12 13 14
15 16 17 18 19 20 21
22 23 24 25 26 27 28
29 30 31
February
S M T W T F S
1 2 3 4
5 6 7 8 9 10 11
12 13 14 15 16 17 18
19 20 21 22 23 24 25
26 27 28
March
S M T W T F S
1 2 3 4
5 6 7 8 9 10 11
12 13 14 15 16 17 18
19 20 21 22 23 24 25
26 27 28 29 30 31
2ND QUARTER
April
S M T W T F S
1
2 3 4 5 6 7 8
9 10 11 12 13 14 15
16 17 18 19 20 21 22
23 24 25 26 27 28 29
30
May
S M T W T F S
1 2 3 4 5 6
7 8 9 10 11 12 13
14 15 16 17 18 19 20
21 22 23 24 25 26 27
28 29 30 31
June
S M T W T F S
1 2 3
4 5 6 7 8 9 10
11 12 13 14 15 16 17
18 19 20 21 22 23 24
25 26 27 28 29 30
3RD QUARTER
July
S M T W T F S
1
2 3 4 5 6 7 8
9 10 11 12 13 14 15
16 17 18 19 20 21 22
23 24 25 26 27 28 29
30 31
August
S M T W T F S
1 2 3 4 5
6 7 8 9 10 11 12
13 14 15 16 17 18 19
20 21 22 23 24 25 26
27 28 29 30 31
September
S M T W T F S
1 2
3 4 5 6 7 8 9
10 11 12 13 14 15 16
17 18 19 20 21 22 23
24 25 26 27 28 29 30
4TH QUARTER
October
S M T W T F S
1 2 3 4 5 6 7
8 9 10 11 12 13 14
15 16 17 18 19 20 21
22 23 24 25 26 27 28
29 30 31
November
S M T W T F S
1 2 3 4
5 6 7 8 9 10 11
12 13 14 15 16 17 18
19 20 21 22 23 24 25
26 27 28 29 30
December
S M T W T F S
1 2
3 4 5 6 7 8 9
10 11 12 13 14 15 16
17 18 19 20 21 22 23
24 25 26 27 28 29 30
31

Abbreviations

- Months
  - 01, 02 , 03 or Jan, Feb, Mar
  - Not dependent on financial year
- Quarters
  - Q1, Q2, Q3, Q4
  - Dependent on financial year
- Years
  - 2017, 2018 or 18, 17
  - Year is set based on the financial year end

Let's practice!

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The datetime library and Split function

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Types of conflicts

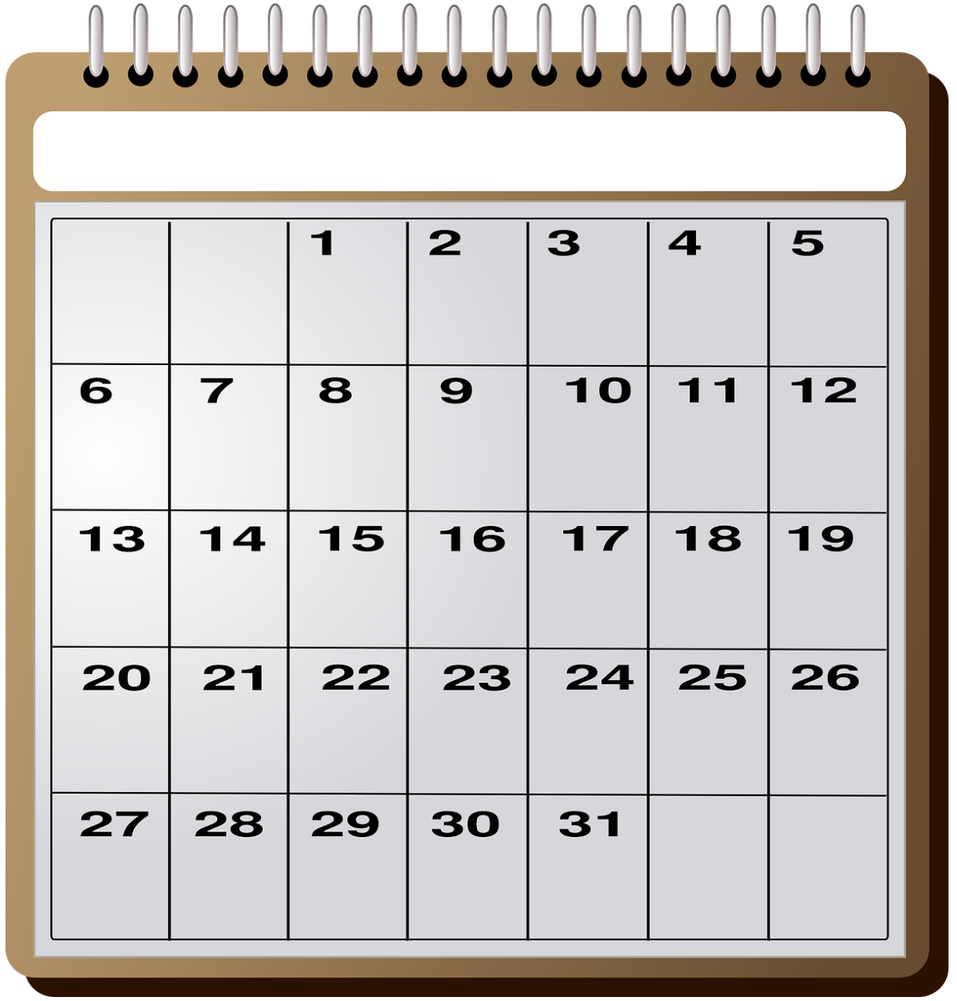
Date: 09/10/2018

Regional differences

- Day-Month-Year
- Month-Day-Year

Punctuation differences

- dd-mm-yy
- dd/mm/yyyy



The datetime function

```
# Import datetime module
from datetime import datetime
datetime.strptime(date_string,
                  format)
```

12-25-2000 --> %m-%d-%Y'

```
datetime.strptime('12-25-2000',
                  '%m-%d-%Y')
print(dt_object.month)
```

```
12
```

Directive	Meaning	Example
%d	Day of the month as a zero-padded decimal number	01, 02, ..., 31
%b	Month as locale's abbreviated name	Jan, Feb, ..., Dec
%B	Month as locale's full name	January, ..., December
%m	Month as a zero-padded decimal number	01, 02, ..., 12
%y	Year without century as a zero-padded decimal number	00, 01, ..., 99
%Y	Year with century as a decimal number	1970, 1988, 2001, 2013

Using the split() function

- `split()` function

```
date = '14/02/2018'
# Split date string into named variables using /
day, month, year = date.split('/')
print(year)
```

```
2018
```

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Tips and tricks when working with datasets

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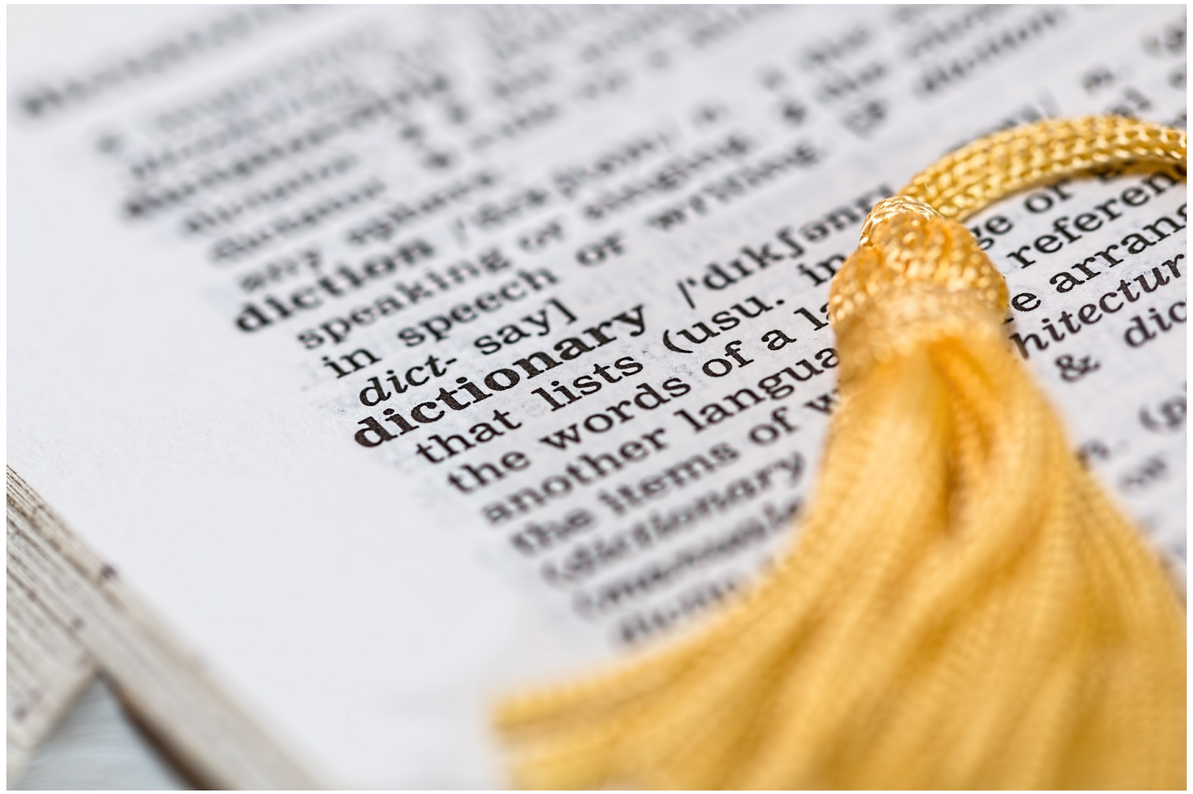
Common challenges when working with financial data

- Raw data is in different formats
- Date format can be different!
  - US format is Month-Day-Year, EU is Day-Month-Year
  - 09-08-2018 in US is the 8th of September, EU is 9th of August
- Can cause challenges in:
  - Interpreting
  - Combining

Using a dictionary

- **Dictionary:** associative array
- Keys are mapped to values
- un-ordered key-value-pairs
- For example:
  - The value 01 has a key of Jan

```
dictionary = {01: 'Jan'}
```



Remember to use the datetime library

Directive	Meaning	Example
%d	Day of the month as a zero-padded decimal number	01, 02, ..., 31
%b	Month as locale's abbreviated name	Jan, Feb, ..., Dec
%B	Month as locale's full name	January, ...,
%m	Month as a zero-padded decimal number	01, 02, ..., 12
%y	Year without century as a zero-padded decimal number	00, 01, ..., 99
%Y	Year with century as a decimal number	1988, 2001, 2013

```
# Example: 19-02-2018 will be written:
('19-02-2018', '%d-%m-%Y')
```

Iterate over items

- `iteritems()` function

```
# Create dictionary with strings as keys
# and ints as values
wordFrequency = {
    "Hello" : 7,
    "hi" : 10,
    "there" : 45,
    "at" : 23,
    "this" : 77
    }
```

```
# Iterate over dictionary using for loop
for key in wordFrequency:
    value = wordFrequency[key]
    print(key, " :: ", value)
```

```
Hello  ::  7
there  ::  45
at  ::  23
this  ::  77
hi  ::  10
```

Let's practice!

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