**Finance Head Jobs**

**What is Finance ?**

Finance is defined as the management of money and includes activities such as investing, borrowing, lending, budgeting, saving, and forecasting. There are three main types of finance: (1) [personal](https://corporatefinanceinstitute.com/resources/knowledge/finance/personal-finance/), (2) [corporate](https://corporatefinanceinstitute.com/resources/knowledge/finance/corporate-finance-industry/), and (3) [public](https://corporatefinanceinstitute.com/resources/knowledge/finance/public-finance/)/government.

**What are types of Financial Models?**

**#1 Three Statement Model**

The [3 statement model](https://corporatefinanceinstitute.com/resources/knowledge/articles/3-statement-model/) is the most basic setup for financial modeling. As the name implies, in this model the three statements (income statement, balance sheet, and cash flow) are all dynamically linked with formulas in Excel. The objective is to set it up so all the accounts are connected and a set of assumptions can drive changes in the entire model. It’s important to know [how to link the 3 financial statements](https://corporatefinanceinstitute.com/resources/knowledge/3-financial-statements-linked/), which requires a solid foundation of accounting, finance, and Excel skills.

**#2 Discounted Cash Flow (DCF) Model**

The [DCF model](https://corporatefinanceinstitute.com/resources/knowledge/articles/dcf-model-training-free-guide/) builds on the 3 statement model to value a company based on the Net Present Value (NPV) of the business’ future cash flow. The DCF model takes the cash flows from the 3 statement model, makes some adjustments where necessary, and then uses the [XNPV function](https://corporatefinanceinstitute.com/resources/excel/study/xnpv-function/) in Excel to discount them back to today at the company’s Weighted Average Cost of Capital ([WACC](https://corporatefinanceinstitute.com/resources/knowledge/finance/what-is-wacc-formula/)).

These types of financial models are used in [equity research](https://corporatefinanceinstitute.com/equity-research-analyst-career) and other areas of the capital markets.

**#3 Merger Model (M&A)**

The M&A model is a more advanced model used to evaluate the pro forma accretion/dilution of a merger or acquisition.  It’s common to use a single tab model for each company, where the consolidation of Company A + Company B = Merged Co.  The level of complexity can vary widely. This model is most commonly used in [investment banking](https://corporatefinanceinstitute.com/resources/careers/jobs/investment-banking-overview/) and/or [corporate development](https://corporatefinanceinstitute.com/corporate-development-career-path).

**#4 Initial Public Offering (IPO) Model**

Investment bankers and corporate development professionals also build IPO models in Excel to value their business in advance of going public. These models involve looking at [comparable company analysis](https://corporatefinanceinstitute.com/resources/knowledge/valuation/comparable-company-analysis/) in conjunction with an assumption about how much investors would be willing to pay for the company in question. The valuation in an IPO model includes “an IPO discount” to ensure the stock trades well in the secondary market.

**What does Financial Head do?**

Being head of finances means being in charge of an organization's finances and ensuring the company is as profitable as possible. Some of the duties of a head of finance include conducting risk management, approving or rejecting budgets, forecasting financial results, and assessing risks in financial transactions.

**SEO Meta Tag:**

<meta name="title" content="Finance Head Jobs">

<meta name="description" content="Finance is defined as the management of money and includes activities such as investing, borrowing, lending, budgeting, saving, and forecasting.">

<meta name="keywords" content="Finance, Borrowing, Investing">

<meta name="robots" content="index, follow">

<meta http-equiv="Content-Type" content="text/html; charset=utf-8">

<meta name="language" content="English">