Exercise 4C: DCF Cross-Check

MGMT 675: Generative AI for Finance

Take the DCF model you built in Exercise 2B. Start a **new** Claude conversation (do not continue the original) and upload the workbook. Ask Claude to critique the valuation:

1. **Identify at least 3 questionable assumptions** — are the growth rates, margins, or discount rate reasonable?
2. **Check formula consistency** — does FCF match the pro forma income statement and balance sheet?
3. **Evaluate the terminal value** — is the implied terminal growth rate reasonable relative to GDP growth? What fraction of enterprise value comes from the terminal value?
4. **Suggest specific revisions** with justification

Revise the model based on the critique and compare the original and revised valuations.

Deliverables.

- Original DCF model (`5A-Original.xlsx`)
- Revised DCF model (`5A-Revised.xlsx`)
- Summary of what changed and why (`5A-Summary.pdf`, 1 page)
- Screenshots of both Claude conversations (`5A-Screenshot1.png`, `5A-Screenshot2.png`)