


Finance Equations Answers



Finance Equations & Answers

Financial Math

Financial math has as its foundation many basic finance formulas related to the time value of money. In addition, particulars related to certain financial instruments (bonds for example) are calculated using derivatives of these basic formulas. Other formulas used in financial math are related to probability, randomness and statistical analysis.

Equations and Variables in Financial Formulas

One important key to understanding formulas for financial math is knowledge of what financial symbols and variables represent.

Where N = Number of Periods
 B = Balance
 g = Rate of Growth
 m = Compounding Frequency
 r = Interest Rate
 iE = Effective Interest Rate
 iN = Nominal Interest Rate
 PMT = Periodic Payment
 FV = Future Value
 PV = Present Value
 CF = Cash Flow
 j = the j th Period
 T = the terminal or last Period

Calculate the Number of Payments

$$N = \frac{-\log(1 - \frac{FV \cdot PMT}{P})}{\log(1 + r)}$$

Convert Interest Rate Compounding Rates

Where i_1 = Original Interest Rate with Compounding Frequency m_1
and i_2 is the new interest rate with compounding frequency m_2

$$i_2 = \left(1 + \frac{i_1}{m_1}\right)^{\frac{m_2}{m_1}} - 1$$

Calculate Effective Interest Rate

$$iE = \left(1 + \frac{iN}{m}\right)^m - 1$$

Payment Calculations

The most commonly sought payment calculation is the one for monthly payments. Of course, there are other ways payments are calculated as you can see below.

Calculate Monthly Payment

$$PMT = P \cdot \frac{r(1+r)^n}{(1+r)^n - 1}$$

Calculate Sinking Fund

$$PMT = \text{Goal} \cdot \frac{r/m}{(1 + \frac{r}{m})^{(m \cdot n)} - 1}$$

Cash Flow Series Calculations

Calculate the Present Worth Cost of a Cash Flow Series

$$PW(C) = \sum_{j=1}^n \frac{CF_j}{(1+r)^j} \text{ where } CF_j < 0$$

Calculate the Present Worth Revenue of a Cash Flow Series

$$PW(R) = \sum_{j=1}^n \frac{CF_j}{(1+r)^j} \text{ where } CF_j > 0$$

Filesize: 2.29 MB

Reviews

The publication is great and fantastic. I actually have read through and i am sure that i am going to planning to go through yet again yet again down the road. I realized this pdf from my dad and i encouraged this publication to understand.
(Jamarcus Runolfsson)

FINANCE EQUATIONS ANSWERS



To download **Finance Equations Answers** PDF, please refer to the web link beneath and save the document or have accessibility to additional information which are in conjunction with FINANCE EQUATIONS ANSWERS book.

Speedy Publishing LLC, United States, 2014. Paperback. Book Condition: New. 279 x 216 mm. Language: English . Brand New Book ***** Print on Demand *****.This Finance Equations Answers study guide is created by Pamphlet Master for students everywhere. This tool has a comprehensive variety of college and graduate school topics/subjects which can give you what it takes to achieve success not only in school but beyond. Included in the pamphlet are: -Financial Math -Symbols and Variables in Financial Formulas -Payment Calculations -Cash Flow Series Calculations -Future Value Formulas -Present Value Formulas -Annuities -Future Value -Present Value.

-  [Read Finance Equations Answers Online](#)
-  [Download PDF Finance Equations Answers](#)
-  [Download ePUB Finance Equations Answers](#)

Relevant Kindle Books



[PDF] Becoming Barenaked: Leaving a Six Figure Career, Selling All of Our Crap, Pulling the Kids Out of School, and Buying an RV We Hit the Road in Search Our Own American Dream. Redefining What It Meant to Be a Family in America.

Follow the web link listed below to download "Becoming Barenaked: Leaving a Six Figure Career, Selling All of Our Crap, Pulling the Kids Out of School, and Buying an RV We Hit the Road in Search Our Own American Dream. Redefining What It Meant to Be a Family in America." PDF document.

[Save Document »](#)



[PDF] Bully, the Bullied, and the Not-So Innocent Bystander: From Preschool to High School and Beyond: Breaking the Cycle of Violence and Creating More Deeply Caring Communities

Follow the web link listed below to download "Bully, the Bullied, and the Not-So Innocent Bystander: From Preschool to High School and Beyond: Breaking the Cycle of Violence and Creating More Deeply Caring Communities" PDF document.

[Save Document »](#)



[PDF] New KS2 English SAT Buster 10-Minute Tests: 2016 SATs & Beyond

Follow the web link listed below to download "New KS2 English SAT Buster 10-Minute Tests: 2016 SATs & Beyond" PDF document.

[Save Document »](#)



[PDF] New KS2 English SAT Buster 10-Minute Tests: Grammar, Punctuation & Spelling (2016 SATs & Beyond)

Follow the web link listed below to download "New KS2 English SAT Buster 10-Minute Tests: Grammar, Punctuation & Spelling (2016 SATs & Beyond)" PDF document.

[Save Document »](#)



[PDF] Slave Girl - Return to Hell, Ordinary British Girls are Being Sold into Sex Slavery; I Escaped, But Now I'm Going Back to Help Free Them. This is My True Story.

Follow the web link listed below to download "Slave Girl - Return to Hell, Ordinary British Girls are Being Sold into Sex Slavery; I Escaped, But Now I'm Going Back to Help Free Them. This is My True Story." PDF document.

[Save Document »](#)



[PDF] Letters to Grant Volume 2: Volume 2 Addresses a Kaleidoscope of Stories That Primarily, But Not Exclusively, Occurred in the United States. It de

Follow the web link listed below to download "Letters to Grant Volume 2: Volume 2 Addresses a Kaleidoscope of Stories That Primarily, But Not Exclusively, Occurred in the United States. It de" PDF document.

[Save Document »](#)

**[PDF] Ready, Set, Preschool! : Stories, Poems and Picture Games with an Educational Guide for Parents**

Follow the hyperlink beneath to download "Ready, Set, Preschool! : Stories, Poems and Picture Games with an Educational Guide for Parents" PDF file.

[Read Book »](#)

**[PDF] Games with Books : 28 of the Best Childrens Books and How to Use Them to Help Your Child Learn - From Preschool to Third Grade**

Follow the hyperlink beneath to download "Games with Books : 28 of the Best Childrens Books and How to Use Them to Help Your Child Learn - From Preschool to Third Grade" PDF file.

[Read Book »](#)

**[PDF] Where is My School?: Band 03/Yellow (American English ed)**

Follow the hyperlink beneath to download "Where is My School?: Band 03/Yellow (American English ed)" PDF file.

[Read Book »](#)

**[PDF] Learning with Curious George Preschool Math**

Follow the hyperlink beneath to download "Learning with Curious George Preschool Math" PDF file.

[Read Book »](#)

**[PDF] Salsa moonlight (care of children imaginative the mind picture book masterpiece. the United States won the Caldecott gold(Chinese Edition)**

Follow the hyperlink beneath to download "Salsa moonlight (care of children imaginative the mind picture book masterpiece. the United States won the Caldecott gold(Chinese Edition)" PDF file.

[Read Book »](#)

**[PDF] Talking Digital: A Parent s Guide for Teaching Kids to Share Smart and Stay Safe Online**

Follow the hyperlink beneath to download "Talking Digital: A Parent s Guide for Teaching Kids to Share Smart and Stay Safe Online" PDF file.

[Read Book »](#)