

Formula Sheet
Exam 2
May 24, 2016

$$PV = \frac{FV}{(1+r)^t}$$

$$FV = PV(1+r)^t$$

$$PV \text{ of Annuity} = C * \left(\frac{1 - \frac{1}{(1+r)^t}}{r} \right)$$

$$FV \text{ of Annuity} = C * \left(\frac{(1+r)^t - 1}{r} \right)$$

$$Perpetuity = \frac{C}{r}$$

$$Growing Perpetuity = \frac{C}{r-g}$$

$$PV \text{ Growing Annuity} = \frac{C}{r-g} \left[1 - \left(\frac{1+g}{1+r} \right)^t \right]$$

$$EAR = \left[1 + \frac{APR}{m} \right]^m - 1$$

$$APR = m \left[(1 + EAR)^{\frac{1}{m}} - 1 \right]$$

$$EAR = e^q - 1$$

$$APR = \ln(1 + EAR)$$

$$1 + R = (1 + r) * (1 + h)$$