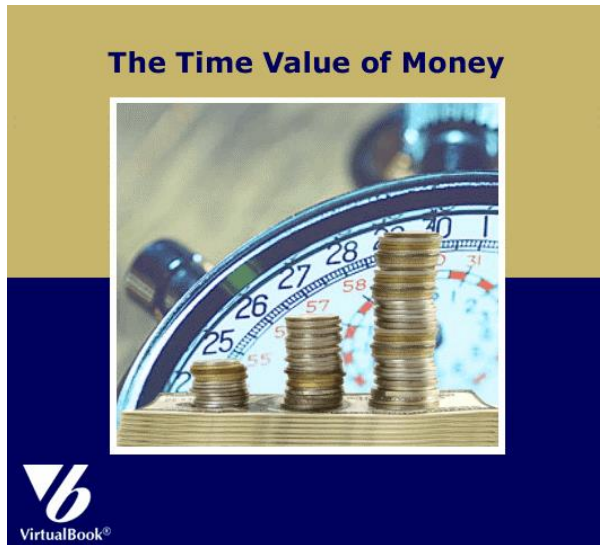


Time Value of Money



Time is money ... nowhere is this commonly heard phrase truer than in the area of finance, because in financial terms, time equals interest earned or interest paid.

Money received today is worth more than money received in the future, because money received today can be immediately invested and a return, in the form of interest received, can start to accumulate.

This publication examines the arithmetic used in determining the time value of money and the numerous ways in which time, and the accumulation of interest within that time, can affect the future value of money borrowed or invested.

Target market

- Financial students
- Entry-level financial/banking employees
- Entry-level investment bankers

Publication includes

- Examples of concepts
- Equation calculations
- Activities after each section
- Self-assessment at the end of the publication
- Glossary
- Fully searchable text

Publication content

1. Simple Interest
2. Compound Interest
3. Discounting and Present Values
4. Discrete Compounding
5. Continuous Compounding and Discounting

6. Net Present Value (NPV) and Internal Rate of Return
7. Annuities: Ordinary Annuity, Annuity Due, Perpetuity