Variable Key

FV = Future value of an investment

PV = Present value of an investment (the lump sum)

r = Return or interest rate per period (typically 1 year)

n = Number of periods (typically years) that the lump sum is invested

PMT = Payment amount

Cn = Cash flow stream number

Equation guide

Future value of a lump sum:

$FV = PV \times (1 + r)^n$

Future Value of an Ordinary Annuity

$FV = PMT \times \{ [(1 + r)^n - 1] / r\}$

Future Value of an Annuity Due

$FV \text{ (annuity due)} = PMT \times \{ [(1 + r)^n -1] / r \} \times (1 + r)$

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