

### 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

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

#### Future Value of an Annuity Due

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

C

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