

### Balance Sheet

Term	Definition
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Current Assets

Fixed Assets

Current Liabilities

Long Term Debt

Preferred Stock

Common Equity

### Income Statement

Term	Definition
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### Formulas

### Capital Budgeting Techniques

Term	Definition	Excel
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<b>Payback Period</b>	The number of years required to recover a project's cost or how long it take to get the business's money back	N
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<b>Discounted Payback Period</b>	The number of years required to recover a project's cost or how long it take to get the business's money back; future cash flows discounted to time zero	N
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<b>Net Present Value (NPV)</b>	Sum of the present value of inflows and outflows	Y
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<b>Internal Rate of Return (IRR)</b>	The discount rate at which inflows is equal to cost, or where net present value is equal to zero	Y
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<b>Modified Internal Rate of Return (MIRR)</b>	IRR based on WACC	Y
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### Capital Budgeting Techniques (cont)

<b>Profitability Index (PI)</b>	Shows relative profitability of project (present value of future cash flows per dollar of initial cost)	N
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### Capital Budgeting Choosing Projects

Project Metric	Choice of Projects
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NPV > 0	Higher NPV
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IRR > WACC	Higher IRR
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MIRR > WACC	Higher MIRR
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