

Afbeeldingen Financiering week 2

1	<p><b>Rule 1</b> Only values at the same point in time can be compared or combined.</p> <hr/> <p><b>Rule 2</b> To move a cash flow forward in time, you must compound it. <span style="float: right;">Future Value of a Cash Flow <math>FV_n = C \times (1 + r)^n</math></span></p> <hr/> <p><b>Rule 3</b> To move a cash flow backward in time, you must discount it. <span style="float: right;">Present Value of a Cash Flow <math>PV = C + (1 + r)^n = \frac{C}{(1 + r)^n}</math></span></p>
2	$PV(C \text{ in perpetuity}) = \frac{C}{r}$
3	
4	
5	$PV = C \times \frac{1}{(r - g)} \left( 1 - \left( \frac{1 + g}{(1 + r)} \right)^N \right)$
6	Equivalent n-Period Discount rate =
7	$1 + EAR = \left( 1 + \frac{APR}{k} \right)^k$
8	Rente termijn structuur betrekken in je present value: met $R_n$ = interest rate per period that matches an investment horizon of n periods
9	After-tax interest rate=
10	Valuation with risky cash flows