Multi-step Questions

## 1 Draw

Draw a time diagram. This collects the information in an easy-to-use format

## Amount



## Time(Years)

2 Write
(Number of payments per Year)
P/Y =
$\mathrm{P} / \mathrm{Y}=$
$\mathrm{P} / \mathrm{Y}=$
(Number of compounding periods per Year)
C/Y
C/Y
$\mathrm{C} / \mathrm{Y}=$
(Total number of payments)
$\mathbf{N}=\quad \mathrm{N}=$
(Nominal Interest Rate)
$\mathbf{I} / \mathbf{Y}=$
$\mathrm{I} / \mathrm{Y}=$
$\mathrm{I} / \mathrm{Y}=$
(Present value of the annuity)
PV =
PV =
PV =
(Periodic payment)
PMT =
PMT =
PMT =
(Future value of the annuity)
FV =
FV =
$\mathrm{FV}=$

## 3 Enter And Solve

## DIFFERENTIATING BETWEEN PV AND FV

Find PV when you see words like:
mortgage, loan, purchase of machines, pension, withdrawals.
Find FV when you see words like:
accumulation, saving for college or university, saving for retirement, savings account.

## CALCULATING N

$\mathrm{t}=$ number of years;
$\mathrm{N}=\mathrm{t} \times \mathrm{P} / \mathrm{Y}$

## CONTRIBUTION

## CALCULATING PURCHASE PRICE

Purchase price $=\mathrm{PV}+$ Down payment
Total Contribution $=\mathrm{N} \times$ PMT
TOTAL INTEREST or COST OF FINANCE
A down payment is not PMT (periodic payment)

Total Interest $=\mathrm{FV}-(\mathrm{N} \times \mathrm{PMT})$
OR
Total Interest $=(\mathrm{N} \times \mathrm{PMT})-\mathrm{PV}$

## CHANGE TO BGN MODE

2ND BMT 2ND ENTER BGN 2ND CPT

## NUMBER OF DAYS BETWEEN DATES

2 ND 1
Enter the digits of the month, a decimal point, two digits of the date, then the two last digits of the year
EXAMPLE: Enter February 3rd 2015 as the first date and May 6th 2017 as the second date
DT1 2.0315 ENTER DT2 5.0617 ENTER $\downarrow$ DBD CPT

