

1 Draw

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



2 Write

(Number of payments per Year) P/YP/Y(Number of compounding periods per Year) C/Y(Total number of payments) N (Nominal Interest Rate) I/YI/YI/Y(Present value of the annuity) PVPVPV(Periodic payment) PMT =PMTPMT (Future value of the annuity) \mathbf{FV} FVFV

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

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

CALCULATING PURCHASE PRICE

 $Purchase \ price = PV + Down \ payment$

A down payment is not PMT (periodic payment)

CONTRIBUTION

Total Contribution = $N \times PMT$

TOTAL INTEREST or COST OF FINANCE

 $Total\ Interest = FV - (N \times PMT)$

OR

 $Total\ Interest = (N\ x\ PMT) - PV$

CHANGE TO BGN MODE

NUMBER OF DAYS BETWEEN DATES

2ND $\boxed{1}$

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 $\boxed{\text{ENTER}}$ $\boxed{\downarrow}$ DT2 5.0617 $\boxed{\text{ENTER}}$ $\boxed{\downarrow}$ DBD $\boxed{\text{CPT}}$