

## Review for 09-08-16

### Short Term Time of Investment Rules

Exact Simple:  $(\# \text{ days}) / (365)$

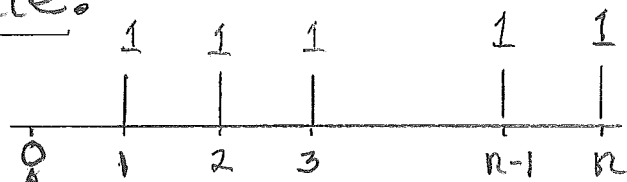
Ordinary Simple:

$$360(Y_2 - Y_1) + 30(M_2 - M_1) + (D_2 - D_1)$$

Bankers Rule:  $(\# \text{ days}) / (360)$

Annuity is a series of payments made at equal intervals of time.

Annuity - Immediate:



$$PV = a_{\overline{n}|i} = \frac{1 - v^n}{i}$$

$$FV = s_{\overline{n}|i} = \frac{(1+i)^n - 1}{i}$$

Sum of a Geometric Sequence

$$a + ar + ar^2 + \dots + ar^{n-1}$$

$$= \frac{a(1-r^n)}{(1-r)} \quad r \neq 1$$