Formula Sheet
Exam 4
June 7, 2016

$$PV = \frac{FV}{(1+r)^t}$$

$$FV = PV(1+r)^t$$

$$PV\ of\ Annuity = C * \left(\frac{1 - \frac{1}{(1+r)^t}}{r} \right)$$

$$FV\ of\ Annuity = C * \left(\frac{(1+r)^t - 1}{r} \right)$$

$$Perpetuity = \frac{C}{r}$$

$$Growing\ Perpetuity\ PV = \frac{C_1}{r-g}$$

$$PE\ Ratio = \frac{Price}{EPS}$$

$$P_t = PE\ ratio * EPS$$

$$\sigma^2 = \frac{\sum_{i=1}^{T}(R_i - \overline{R})^2}{T-1}$$

$$\sigma = \sqrt{\sigma^2}$$

$$GAR = \left[\prod_{i=1}^{T} (1 + R_i) \right]^{\frac{1}{T}} - 1$$

$$E(R) = \sum_{i=1}^{n} p_i R_i$$

$$\sigma^2 = \sum_{i=1}^{n} p_i (R_i - E(R))^2$$

$$E(R_A) = R_F + \beta_A (E(R_m) - R_F)$$

$$WACC = w_E R_E + w_D R_D (1 - T_c)$$