

Discounted Cash Flow Valuation Topics

This is a general guideline and should be viewed as such. Anything covered in class can be tested.

1. Be able to value a stream of uneven cash flows
2. Be able to value a stream of even cash flows
3. Annuity
 - (a) Ordinary Annuity
 - (b) Annuity Due
4. Perpetuity
5. Calculate PV, FV, N, r, and PMT for annuities
 - (a) Account for different compounding periods.
6. Calculate PV, C, r for perpetuity
7. Growing perpetuity (define and calculate PV)
 - (a) C occurs at time 1
8. Growing annuity (define and calculate PV)
 - (a) C occurs at time 1
9. APR and EAR (define and calculate)
10. Continuous compounding
11. $m \neq n$ (i.e., compounding periods not equal to payment periods)
12. Loan types
 - (a) Pure discount
 - (b) Interest only
 - (c) Amortized