FIN 2210 FORMULA SHEET

Chapter 3

$$NOWC = CA - [CL - NP] \qquad MVA = MVE - BVE$$

$$EVA = NOPAT - Dollar\ cost\ of\ capital \qquad FCF = [EBIT(1-T) + dep] - [CAPEX + \Delta NOWC]$$

Chapter 4

$$Current = \frac{CA}{CL} \qquad Inv\ TO = \frac{Sales}{Inv} \qquad OPM = \frac{EBIT}{Sales} \qquad ROIC = \frac{NOPAT}{Capital}$$

$$Quick = \frac{CA - Inv}{CL} \qquad DSO = \frac{AR}{Sales/365} \qquad PM = \frac{NI}{Sales} \qquad BEP = \frac{EBIT}{A}$$

$$Debt\ to\ Capital = \frac{Debt}{Capital} \qquad FA\ TO = \frac{Sales}{NFA} \qquad ROA = \frac{NI}{A} \qquad P/E = \frac{Price}{EPS}$$

$$TIE = \frac{EBIT}{Int} \qquad TA\ TO = \frac{Sales}{TA} \qquad ROE = \frac{NI}{E} \qquad M/B = \frac{Price}{BVPS}$$

Chapter 6

$$r_d = r^* + IP + DRP + LP + MRP$$

Chapter 7

$$YTM = Current\ Yield + Cap.Gains\ Yield$$

Chapter 8

$$E(R) = \hat{r} = \sum P_i r_i \qquad r_p = \sum w_i r_i \qquad \sigma = \sqrt{\sum (r_i - \hat{r})^2 P_i}$$

$$r_i = r_{RF} + b_i(r_M - r_{RF}) \qquad b_p = \sum w_i b_i \qquad \sigma = \sqrt{\frac{\sum (r_i - \bar{r})^2}{N-1}}$$

Chapter 9

$$\hat{P}_0 = \frac{D_1}{r_s - g} \qquad HV_t = \frac{D_{t+1}}{r_s - g}$$

Chapter 10

$$WACC = w_d r_d (1-T) + w_p r_p + w_s r_s \qquad r_e = \frac{D_1}{P_0(1-F)} + g$$

Recovery Allowance Percentage for Personal Property

Class of Investment	*1*	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*
3-Year	33%	45%	15%	7%							
5-Year	20%	32%	19%	12%	11%	6%					
7-Year	14%	25%	17%	13%	9%	9%	9%	4%			
10-Year	10%	18%	14%	12%	9%	7%	7%	7%	7%	6%	3%