

3/1/2026

Page No.

Date

ASSIGNMENT-6 (Financial and Logical Functions)

Ques.1 How do you calculate loan payments using PMT function?

Ans.1 \Rightarrow PMT calculates the periodic payment for a loan.

- It considers interest rate, number of periods, and loan amount.

SYNTAX: $=PMT(\text{rate}, \text{nper}, \text{pv})$

EXAMPLE $=PMT(10\%/12, 5*12, -50000)$

- Used in EMI, mortgage and loan planning.

Ques.2 What is the difference b/w the NPV and IRR functions?

Ans.2 \Rightarrow NPV (Net Present Value) calculates the present value of cash flows using a given discount rate.

- IRR (Internal Rate of Return) calculates the rate at which NPV becomes zero.

- NPV SYNTAX:

$=NPV(\text{rate}, \text{value1}, \text{value2}, \dots)$

- IRR SYNTAX:

$=IRR(\text{values})$

NPV gives profit value, IRR gives profit percentage.

Ques.3 Explain how the FV function is used to calculate the future value of an investment.

Ans.3 \Rightarrow FV calculates the future value of an investment.

- It considers interest rate, time and periodic payments.

SYNTAX = $FV(\text{rate}, \text{nper}, \text{pmt}, \text{pv})$

EXAMPLE = $FV(8\% / 12, 5 * 12, -2000, 0)$

Used in savings, retirement and investment planning.

Ques. 4 How would you use the IF function to perform conditional calculations?

Ans. 4) IF checks a condition and returns different results.

SYNTAX := $IF(\text{logical-test}, \text{value-if-true}, \text{value-if-false})$

EXAMPLE = $IF(A1 > 50, "PASS", "FAIL")$

Widely used in decision-making and reports.

Ques. 5 What are nested IF statements, and how can they be applied?

Ans. 5) Nested IF means using multiple IF functions inside one another.

→ Used when there are multiple conditions.

EXAMPLE : $IF(A1 > 75, "Distinction", IF(A1 >= 50, "Pass", "fail"))$

Common in Grading and Classification Systems.

Ques. 6 How do you use the AND and OR functions in combination with IF?

Ans. 6) AND returns TRUE if all conditions are true.

OR returns TRUE if any condition is true.

SYNTAX := $IF(AND(A1 >= 50, B1 >= 50), "Pass", "fail")$

= $IF(OR(A1 >= 90, B1 >= 90), "Excellent", "Normal")$

Used in eligibility and rule-based logic.

Ques.7 What is the purpose of the IFERROR function, and how does it work?

Ans.7) IFERROR handles more gracefully.

- It replaces error values with meaningful outputs.

SYNTAX := IFERROR(value, value-if-error)

EXAMPLE := IFERROR(A1/B1, 0)

Used to avoid #DIV/0! and #VALUE! errors.

Ques.8 Explain the difference b/w the ISNUMBER and ISTEXT fn?

Ans.8) ISNUMBER checks whether a value is numeric

ISTEXT checks whether a value is text

EXAMPLE = ISNUMBER(A1)
= ISTEXT(A1)

Used in Data Validation and cleaning.

Ques.9 How would you use the CUMIPMT function in Excel?

Ans.9) CUMIPMT calculates total interest paid b/w two periods.

SYNTAX = CUMIPMT(rate, nper, pv, start-period, end-period, type)

EXAMPLE = CUMIPMT(10%/12, 60, 500000, 1, 12, 0)

Used in loan and FMI analysis.

Ques.10 Can you describe a scenario where the SLN function is useful?

Ans.10) SLN calculates straight line depreciation.

- Used when asset value decreases equally each year.

SYNTAX = SLN(cost, salvage, life)

EXAMPLE = SLN(10000, 1000, 5)

Used in accounting and asset management.