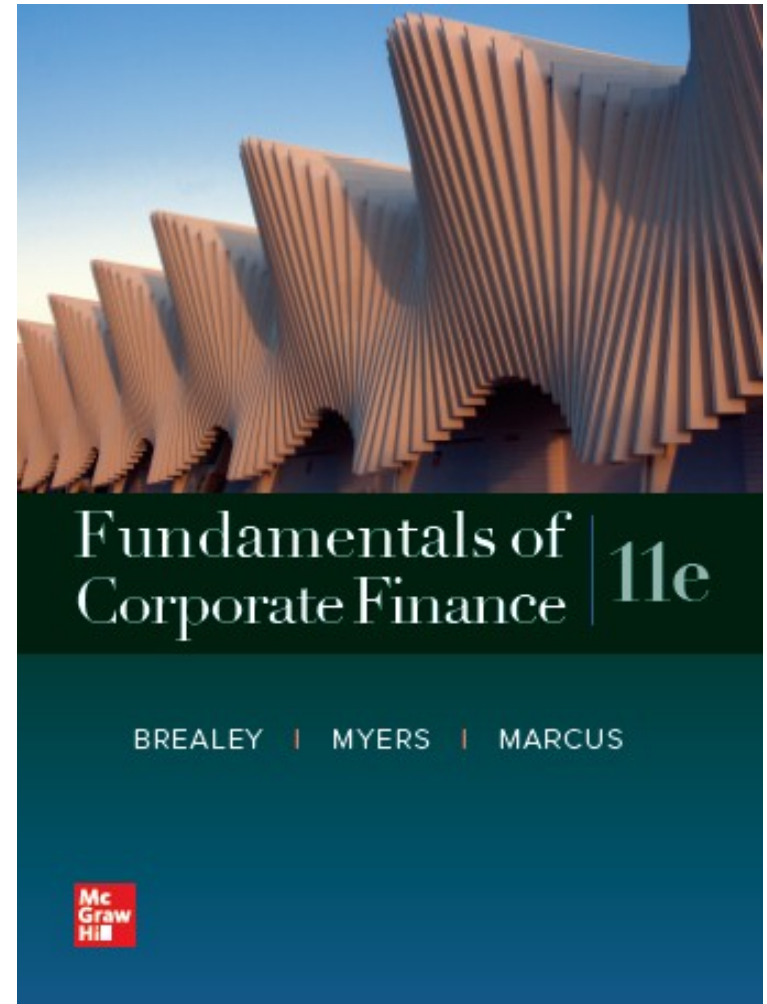


# Fundamentals of Corporate Finance, 11th Edition

CHAPTER 5: The Time Value Of Money

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# Annuities/Loans, see Excel

- Loans are Annuities
- Review payments, Loan Amount (PV), principal vs. interest
- $i$  vs.  $r$
- Value Destruction, Value Creation

# Annuities/Loans, see Excel

- Loan Balance; how much (principal) do I owe?:
- PV of remaining payments discounted at contractual rate of interest

**Excel**