

## Assignment - 6

### CAGR

compound annual growth rate. is a useful measure that indicates the mean annual growth rate of an investment over a specified period of time, assuming that profits are reinvested at the end of each period it provides a smooth annual growth rate, making it easier to compare different investments

### Formula

$$CAGR = \left( \frac{\text{Ending value}}{\text{Beginning value}} \right)^{1/n} - 1$$

Ending value - the final value of the investment

Beginning value - the initial value of the investment

$n$  - number of years.

*Summary*