Assignmend - 6

Epeplain the CAGIR

CABIR Stands for compound fin much fromty Rate . Its a francial modric that measure the rate of veturn on fromth of an Investment, dunour, on motivic over a specific fortiod of time, valy dem . CAGR takes Into acrount the compounding eglict of growth from one Period to the spant 1

The formula to calculate CAGIR:

CAGR: (End Value Dagining value) "G No of year) -1

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· End value in the finance Value of the

Char time or metric

· Beginning Value 1's the enitial value of the

Investment on wedgic

· Number of you in the offmo Parioud.

over which que growen 12 measured.

for Example.

It a Company's roumne grow from to

1,50 DOO Over 3 year que CAGIR WORK.

CAGRE: (\$ 150,000 |\$ 100.000) 1 (113)-1 = 14.5%.

This means the company's revenue grow at up avorage vate 14.54. Per year over the 3- year Period.

CAGIR ? s usful you

- 1. E. Valuating Investment Pronformance
- 2. Comparing growth vate taluber com Paris on Industries
- 3. Softing growth forget or borch moores de Hadyzing flitorial growth Brevet Romander, CADIA not suffice the Inches of Growth 80 it many

Comment listillers

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