ANATOMY OF A FUNCTION

```
pv <- function(FV, r, n) {
  present_value <- FV / (1 + r)^n
  round(present_value, 2)
}

formals(pv)
$FV
$r
$n

body(pv)
{
    present_value <- FV/(1 + r)^n
    round(present_value, 2)
}

environment(pv)
<environment: R_GlobalEnv>
```

Functions have 3 parts:

1. formals (aka arguments)
2. body (code inside the function)
3. environment

FUNCTION OUTPUT

```
pv <- function(FV, r, n) {
  present_value <- FV / (1 + r)^n
  round(present_value, 2)
}

pv(FV = 1000, r = .08, n = 5)
[1] 680.58

pv2 <- function(FV, r, n) {
  present_value <- FV / (1 + r)^n
  return(present_value)
  round(present_value, 2)
}

pv2(1000, .08, 5)
[1] 680.5832
```

What gets returned from a function is either:

1. The last expression evaluated

2. return(value), which forces the function to stop execution and return value