NPV Codes

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```r
## Net Present Value function Inputs:
## vector of rates (rates) with 0 as the first rate for time 0,
## vector of cash flows (cashflows) Outputs: scalar net present value
NPV.1 <- function(rates, cashflows) {
NPV <- sum(cashflows/(1 + rates)^(seq_along(cashflows) - 1))
return(NPV)
}
## NPV.1() function and run this code.
rates <- c(0, 0.08, 0.06, 0.04)
## first rate is always 0.00
cashflows <- c(-100, 200, 300, 10)
NPV.1(rates, cashflows)
```

```
## [1] 361.0741
```