

Table 1: Simplified Time Value of Money Equations

Factor Notation	Equation
(F P,i,N)	$F = P(1+i)^N$
(P F,i,N)	$P = \frac{F}{(1+i)^N}$
(F A,i,N)	$F = A \left(\frac{(1+i)^N - 1}{i} \right)$
(A F,i,N)	$A = F \left(\frac{i}{(1+i)^N - 1} \right)$
(P A,i,N)	$P = A \left(\frac{(1+i)^N - 1}{i(1+i)^N} \right)$
(A P,i,N)	$A = P \left(\frac{i(1+i)^N}{(1+i)^N - 1} \right)$
(P G,i,N)	$P = G \left(\frac{(1+i)^N - iN - 1}{i^2(1+i)^N} \right)$
(P A ₁ ,i,g,N)	$P = A_1 \left(\frac{1 - (1+g)^N (1+i)^{-N}}{i - g} \right)$ or $P = A_1 \left(\frac{N}{1+i} \right)$ (if : $i = g$)

Table 2: Accounting Ratios

Ratio	Definition
Debt Ratio	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$
Times Interest Earned Ratio	$\frac{\text{Earnings before Interest and Taxes}}{\text{Interest Expense}}$
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Quick Ratio	$\frac{\text{Current Assets} - \text{Inventory}}{\text{Current Liabilities}}$
Inventory Turnover	$\frac{\text{Total Revenue}}{\text{Average inventory balance}}$
Total Asset Turnover	$\frac{\text{Total Revenue}}{\text{Total assets}}$
Accounts Receivable Turnover	$\frac{\text{Accounts Receivable}}{\text{Average daily sales}}$
Profit Margin on Sales	$\frac{\text{Net Income} - \text{Preferred dividends}}{\text{Total Revenue}}$
Return on Total Assets	$\frac{\text{Earnings before interest and taxes}}{\text{Total Assets}}$
Return on Common Equity	$\frac{\text{Net Income} - \text{Preferred Dividends}}{\text{Common Stock} + \text{Retained Earnings} + \text{Capital Surplus}}$
Price/Earnings Ratio	$\frac{\text{Price per share}}{\text{Earnings per share}}$