Finance and $$-$- Student Learn Sheet

**What you should learn:**

1) What is simple/compound interest
2) Variables used in interest calculations (n, r, P, A, S, q, N)
3) What is APR and how does it differ from nominal interest
4) What is a geometric/arithmetic sequence as applied to money
5) What is meant by “present value”, “future value”
6) What is an annuity, installment loan, sinking fund
7) Estimating total cost—initial cost, installment cost, maintenance cost, insurance cost, residual value
8) The effects of taxes on financial decisions
9) The concept of tax sheltering
10) Cash Flow Diagrams

**What you should know how to do:**

1) Calculate the future value of a one-time investment
2) Calculate the present value of a future need
3) Calculate the future value of a sinking fund
4) Calculate total cost associated with an installment loan
5) Calculate total costs that include rising/falling insurance/maintenance costs
6) Calculate the total cost of owning a vehicle under various scenarios

(Note: learn how to use Excel to produce these calculation)

**What you should lie awake thinking about:**

1) What should you consider in making the decision to lease/rent or buy property, equipment, and vehicles?
2) What are the relative advantages of savings accounts, IRAs, and ROTH IRAs? What assumptions must one make to ensure their benefits?