**Activity 5.1**

For all parts below, there are no intermediate payments.

Part 1: Please use this information for table on present value computation.

|  |  |  |
| --- | --- | --- |
| amount due (FV) | 1100 | 16331 |
| Rate | 10% | 10% |
| Nper | 1 | 5 |

Table part 1

Step 1: please copy and paste special text into the appropriate table in Excel

Step 2: please find the present value using PV function in cells B5

Step 3: please use the actual finance (mathematical) formula to calculate present value in cells B6 to match your results

Step 4: replicate these results for C5 and C6

Part 2: Please use this information for table on future value computation.

|  |  |  |
| --- | --- | --- |
| PV (value today) | 1000 | 11500 |
| Rate | 10% | 10% |
| Nper | 1 | 5 |

Table part 2

Step 1: please copy and paste special text into the appropriate table in Excel

Step 2: please find the future value using FV function in cells F5

Step 3: please use the actual finance (mathematical)formula to calculate future value in cells F6 to match your results

Step 4: replicate these results for G5 and G6

Part 3: Please use this information for table on calculation of number of time periods.

|  |  |  |
| --- | --- | --- |
| amount due (FV) | 1100 | 16331 |
| PV | 1000 | 10000 |
| Rate | 10% | 10% |

Table part 3

Step 1: please copy and paste special text into the appropriate table in Excel

Step 2: please find the number of periods using nper function in cell B13

Step 3: please guess any number in cell B 14 (preferably between 1 and 10)

Step 4: create a future value using information on present value, rate and the guess nper from B 14 and C14 in cell C 15

Step 5: goal seek C 15 to future value in C 10 by changing your guess value from B 14

Step 6: replicate these results for C 13 and C 15

Part 4: Please use this information for table on rate calculations.

|  |  |  |
| --- | --- | --- |
| PV (value today) | 1000 | 11500 |
| FV | 1100 | 18250 |
| Nper | 1 | 5 |

Table part 4

Step 1: please copy and paste special text into the appropriate table in Excel

Step 2: please find the discount rate using rate function in cell F13

Step 3: please guess any number in cell F14 (preferably between 1 and 10)

Step 4: create a future value using information on present value, nper and the guess rate from F 10, F 12 and F 14 in the cell F 15

Step 5: goal seek F 15 to future value in F 11 by changing your guess value from F 14

Step 6: replicate these results for G 13 and G 15