

# PRINCIPLES OPEN COURSES FOR AUTUMN 2010

## MODULE PR1.3

### Pricing & Time Value of Money

Tutor: Alick C Mulhall, FINANCE INDUSTRY TRAINING

Dates: 15th September 2010

Time 0930 – 1300

#### Topics

##### *The basic concepts*

Simple interest

Time value of money concept

Flat rates

How interest is charged

Simple interest amount theory

Discounting at simple interest

##### *Building on the basics*

Compound interest

Nominal rates

Compound interest amount theory

Discounting future values

The Internal rate of return/implicit rate

· as defined by SSAP 21

· as defined by IAS 17

· how it is calculated

Discounting cash flows

Net present value (NPV)

True rates

Annual percentage rates



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