



Tech Info Library

LisaCalc 7/7: The NPV function is different

Revised: 1/26/87
Security: Everyone

LisaCalc 7/7: The NPV function is different

=====

The NPV function has changed in the 7/7 version of LisaCalc. In the old version (2.0), the first value of the cashflow was counted as the payment for the first period and was thus discounted (annuity due). The formula looked like this:

$$v1/(1+discount)^1 + v2/(1+discount)^2 + \dots vn/(1+discount)^p$$

where v is the value of your cash flow, discount is the discount percentage, n is the number of the payment, and p is the number of the period.

In the new LisaCalc 7/7, the first value of the cashflow is not counted as the first period and not discounted (annuity arrears). The formula looks like this:

$$v1/(1+discount)^0 + v2/(1+discount)^1 + \dots vn/(1+discount)^p$$

It's just another way of looking at the same function. Both are equally correct.

Apple TechComm

Tech Info Library Article Number:808