Time Value of Money: Useful Applications

Learning Objectives

- 1. Identify how the time value of money is relevant and accounting situations where it is used.
- 2. Distinguish between future value and present value concepts.
- 3. Calculate present values and future values.
- 4. Apply present value and future value measurement to annuities.
- 5. Recognize the reason a firm should determine Net Present Value, and define the cost of capital.