Financial Plan Assignments

There is no specific part of your PFP on the Language of Finance. However, it is an integral part of your work and analysis. As you read through this chapter, think about the purpose of each new financial idea: annuities, present value of an annuity, and future value of an annuity. Also review the uses of amortized loans and the calculations that concern them. Using either your financial calculator or the Excel financial calculator from the Learning Tools section, make sure you understand how to solve problems of amortized loans and annuities, including the present and the future value of an annuity. It is also critical that you understand the impact of inflation on returns. Make sure you understand the correct method for calculating real returns (the return after the impact of inflation).