TI-Nspire™ Handheld Script

Using the Finance Solver (Tutorial E5)

http://www.atomiclearning.com/k12/en/movie/85867/play_window?type=Tutorial&sid=2410

[00:00:00.00]
You can use the Finance Solver in the Calculator application
to solve standard Time-Value-Money, or TVM, calculations.

[00:00:10.00]
In this example, I need to solve for a present value. I
know I need to have $50,000 in 4 years, and I want to open

[00:00:20.00]
a savings account today. The savings account has an 8% interest
rate compounded monthly. I want to know how much I need

[00:00:29.00]
to deposit into the account today to have that 50,000 after
4 years. First, let's insert a new calculator page by pressing

[00:00:39.00]
the Home key and selecting Calculator. To make menu selections,
you can use the Touchpad and the Click key. To open the

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Finance Solver, I'll press the Menu key and then choose
Finance followed by Finance Solver. Now I just need to

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enter my variables in. N is the total number of periods
that interest is compounded monthly over 4 years, so that's

[00:01:10.00]
4 times 12 months a year, for a total of 48 periods. I'll
type 48, and then press the Tab key to move to the next

[00:01:22.00]
field. I is the interest in percent. My interest rate is
8%, so I'll type 8, and then press Tab. PV is the present

[00:01:36.00]
value, which is what I want to know, so I'll skip over
that for now by pressing Tab again. Pmt is payments. I'm

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[00:01:46.00]
not paying anything out of the savings account for 4 years.
So I'll make sure that this says 0 and press Tab again.

[00:01:55.00]
FV is future value. After 4 years, I want to have $50,000,
so I'll type 50,000, and then press the Tab key. PpY is

[00:02:11.00]
the number of payments per year, which in this case is
once per month for a total of 12, so I'll enter 12, and

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press the Tab key. CpY is the compounding periods per year.
In this case, it's the same as the number of payments per

[00:02:30.00]
year, and you can see that the number I entered into PpY
carries over, so I'll just press the Tab key again. The

[00:02:40.00]
last field is the annuity payment method. Unless otherwise
specified, the interest is typically compounded at the

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end of the term, so we'll leave it set to the default and
press the Tab key. Now that we've entered all our variables,

[00:02:56.00]
I'll press the Tab key twice to highlight the Present Value,
or PV variable, and then press the Enter key to evaluate

[00:03:05.00]
it. I can see that I will need to deposit approximately
$36,346.03 today in order to have $50,000 in four years.

[00:03:18.00]
It's important to note that all of these values are stored
as variables. If I need to use the PV variable in another

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calculation in the Calculator, for example, I can close
this box by pressing "Esc," then press the Var key, and

[00:03:38.00]
choose tvm.pv using the Touchpad and Click key. Now, if
I press Enter, you can see that the value has been stored

[00:03:50.00]
in that variable.

[00:03:54.00]