TI-Nspire™ Software Script

Using the Finance Solver (Tutorial E5)

http://www.atomiclearning.com/k12/en/movie/33161/play_window?type=Tutorial&sid=1674

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

[00:00:08.00]
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

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

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to deposit into the account today to have that $50,000
after 4 years. First, let's insert a new calculator page

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by clicking Insert and selecting Calculator. To open the
Finance Solver, I'll click Finance and choose Finance Solver.

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Now I just need to enter in my variables. N is the total
number of periods. The interest is compounded monthly over

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4 years, so that's 4 times 12 months a year, for a total
of 48 periods. I'll type 48, and then press the Tab key

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to move to the next field. I is the interest in percent.
My interest rate is 8%, so I'll type 8, and then press

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Tab. PV is present value, which is what I want to know,
so I'll skip over that for now by pressing Tab again. Pmt

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is payments. I'm not paying anything out of the savings
account for 4 years, so I'll make sure that it says 0, and

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press Tab again. FV is future value. After 4 years, I want
to have $50,000, so I'll type 50,000, and then press the

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Tab key. PpY is the number of payments per year, which
in this case is once per month for a total of 12, so I'll

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enter 12 and press the Tab key. CpY is the compounding
periods per year. In this case, it's the same as the number

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of payments per year, and you can see that the number I
entered into PpY carried over. So I'll just press the Tab

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key again. The last field is the annuity payment method.
Unless otherwise specified, the interest is typically compounded

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at the 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

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variables, I'll press the Tab key twice to highlight the
Present Value, or PV variable, and then press the Enter

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key to evaluate it. I can see that I will need to deposit
approximately $36,346.03 today in order to have $50,000

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in four years. It's important to note that all of these
values are stored as variables. If I need to use the PV

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variable in another calculation in the Calcuator, for example,
I can just close this box and press the Var button and then

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choose tvm.pv. Now, if I press Enter, you can see that
the value has been stored in that variable.

[00:03:10.00]