Foundations and Applications of the Time Value of Money (Frank J. Fabozzi Series)

Pamela Peterson Drake, Frank J. Fabozzi
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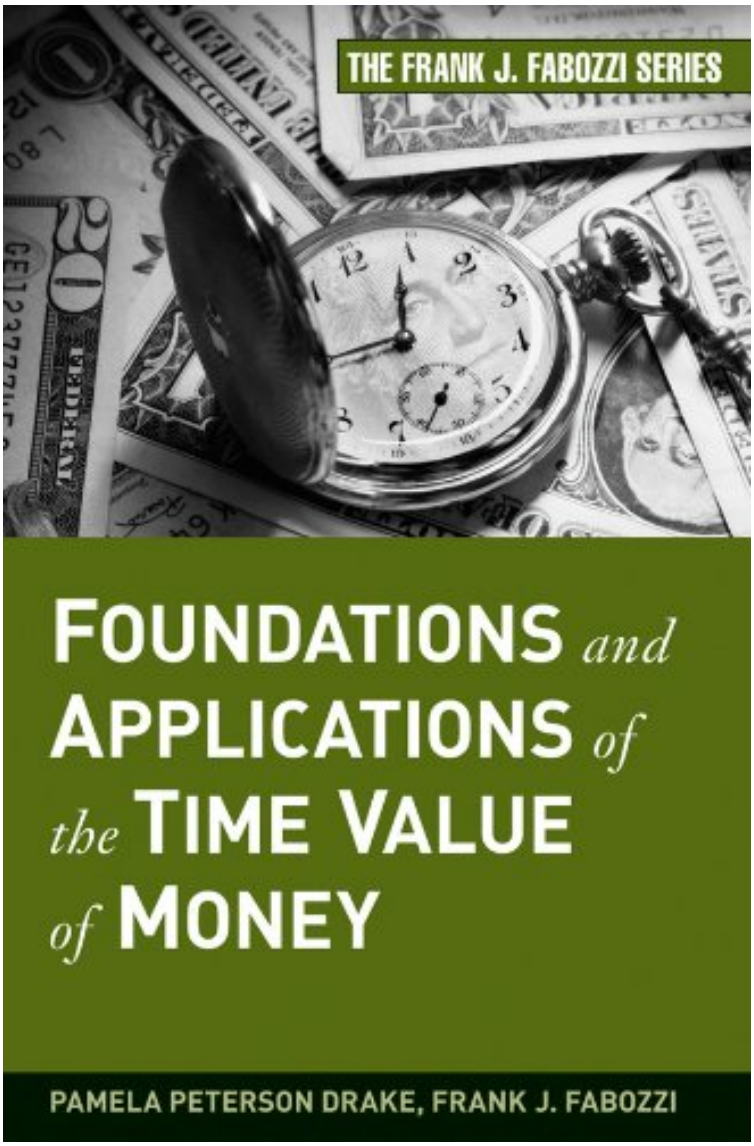

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Pamela Peterson Drake, Frank J. Fabozzi : Foundations and Applications of the Time Value of Money (Frank J. Fabozzi Series) before purchasing it in order to gage whether or not it would be worth my time, and all praised Foundations and Applications of the Time Value of Money (Frank J. Fabozzi Series):

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the value of money across the time.1 of 1 people found the following review helpful. spurious accuracy in estimatesBy W BoudvilleThis book is an elementary discussion of interest rates and how to compute amounts that are compounded using these rates. Reading the book will let you understand basic accounting and to do simple financial planning. It will not however give you enough to do any non-trivial modelling. Like, for example, if you want to construct a financial derivative. Which is not a drawback of the text; it's just a start.But it does have one flaw, even given its intended level. Various examples are given, especially in the last section, where you make estimates of total value over a number of times. For instance, a comparison is done of the value of an MBA over a subsequent lifetime, with respect to not taking the time off from the workforce, and not paying those huge tuition fees. Typically, the narrative assumes some interest rate gain, given to 2 significant digits. But the sums are given to 5 significant digits.This is totally wrong. Simple freshman science lab students can spot the flaw in it. The analysis gives totals are over-accurate. They look impressive, to 5 digits, but the last 3 are meaningless.The problem is that the text does not even give a quick discussion of how not to claim too much accuracy. Sadly, the book is typical of much financial projections, where you can routinely see estimates several years out, to 4 or 5 digits "accuracy". What the reader is not warned about is that the book's examples reflect the accuracy of a calculator, and not the actual accuracy [or uncertainty] of peering into the future.

Comprehensive coverage of the time value of money In this book, authors Pamela Peterson Drake and Frank Fabozzi fully expand upon the type of time value of money (TVM) concepts usually presented as part of overviews given in other general finance books. Various TVM concepts and theories are discussed, with the authors offering many examples throughout each chapter that serve to reinforce the tools and techniques covered. Problems and detailed solutions-demonstrated using two different financial calculators, as well as Excel-are also provided at the end of each chapter, while glossary terms are provided in an appendix to familiarize you with basic terms. Provides the basic foundations of the time value of money Covers issues ranging from an introduction of financial mathematics to calculating present/future values and understanding loan amortization Contains problem/solution sets throughout, so you can test your knowledge of the topics discussed Understanding the time value of money is essential, and this reliable resource will help you gain a firm grasp of its many aspects and its real-world applications.

From the Inside FlapUnderstanding financial transactionsmdash;whether involving investing, borrowing, or lendingmdash;requires an understanding of the time value of money (TVM), as well as the financial mathematics that go along with it. And while TVM is an essential aspect of finance, there aren't many resources that take the time to fully explain it. In this book, the experienced author team of Pamela Peterson Drake and Frank Fabozzi fully expand upon the type of TVM concepts usually presented as part of an overview given in other general finance books. Throughout these pages, various TVM concepts and principles are discussed, with the authors offering examples in each chapter to reinforce the tools and techniques covered. Problems and detailed solutionsmdash;demonstrated using two different financial calculators, as well as Excelmdash;are also provided at the end of each chapter, while glossary terms are included in an appendix, to familiarize you with basic terms. Divided into two comprehensive partsmdash;The Basics of the Time Value of Money and A Few Applicationsmdash;this comprehensive guide can help you analyze almost any financial transaction and evaluate cash flows to determine values at different points in time or returns on investments. Written with both the aspiring and experienced financial professional in mind, Foundations and Applications of the Time Value of Money: Deals with the compounding and discounting of lump sumsmdash;translating single values through time Shows how valuing series of cash flows is a simple extension of discounting or compounding lump sums Demonstrates how to calculate the annual percentage rate, the effective annual rate, and the internal rate of return for financial transactions Looks at loans and how they may be amortized Focuses on deferred annuitiesmdash;which are typically used within the retirement arenamdash;and other "saving-for-future-spending" scenarios in which there is more than one withdrawal of funds in the future Addresses the valuation of stocks and bonds using TVM mathematics Rounding out this detailed discussion, Peterson Drake and Fabozzi examine the applications of the TVM mathematics with regard to: evaluating whether to get an MBA, deciding whether to lease or buy a car, and whether gold is a good investment. And while this is not a personal finance book, the authors chose examples that might interest you in immediately applying the techniques outlined here. Making more informed financial decisions relies on a firm grasp of the time value of money. This book has the insights and advice needed to achieve such a goal.From the Back CoverIn this latest collaboration from Pamela Peterson Drake and Frank Fabozzi, the authors provide comprehensive coverage of the time value of money and fully expand upon related concepts that are usually presented as part of an overview in other general finance books. Chapter by chapter, various time value of money concepts and principles are discussed and many examples are used to reinforce the tools and techniques covered. Problems and detailed solutionsmdash;demonstrated using two different financial calculators, as well as Excelmdash;are also provided at the end of each chapter, while glossary terms are included in an appendix, to familiarize you with basic terms. Divided into two comprehensive parts, this reliable resource: Provides the basic foundations of the time value of money Outlines the financial mathematics you need to know in order to make more

informed financial decisions Covers issues ranging from calculating present/future values to loan amortization And much more Understanding the time value of money is essential, and with this reliable resource as your guide, you'll quickly gain a firm grasp of its many aspects and real-world applications.About the AuthorPAMELA PETERSON DRAKE, PhD, CFA, is the J. Gray Ferguson Professor of Finance and Department Head of Finance and Business Law at James Madison University. Prior to joining James Madison University, she was an associate dean and professor of finance at Florida Atlantic University, and, previous to that, a professor at Florida State University. FRANK J. FABOZZI, PhD, CFA, CPA, is Professor in the Practice of Finance and Becton Fellow at the Yale School of Management, Editor of the Journal of Portfolio Management, and Associate Editor of the Journal of Structured Finance and the Journal of Fixed Income.