

# Time Value of Money: *Useful Applications*

## Course Description

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CPAs must have a working knowledge of future value and present value concepts because of their application to numerous types of business events and transactions that require proper valuation and presentation. Time value of money is also a critical consideration in financial and investment decisions. For example, compound interest calculations are needed to determine future sums of money resulting from an investment. Discounting is used to evaluate the future cash flow associated with capital budgeting projects. This course aims at presenting the time value tools and techniques that are necessary for fair value measurements and for various financial decisions.

**Completion Deadline & Exam:** This course, including the examination, must be completed within one year of the date of purchase. In addition, unless otherwise indicated, no correct or incorrect feedback for any exam question will be provided.

**Course Level:** Overview. This program is appropriate for professionals at all organizational levels.

**CPE Credits:** 3 (CPA)

**Category:** Finance

**Prerequisite:** Basic Accounting and Math

**Advanced Preparation:** None

## Course Learning Objectives

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### Chapter 1: Time Value of Money

After studying this chapter you will be able to:

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 the cost of capital.