**THM 415 Finance**

**Formulae Sheet Paper**

**Midterm Exam**

**Chapter 3**

**Profits** = Revenues – Expenses

**Earnings Per Share (EPS)** = Net Income / Number of Outstanding Common Shares

**Dividends Per Share (DPS)** = Total Dividends Paid / Number of Outstanding Common Shares

**Gross Profit Margin** = Gross Profits / Net Sales

**Operating Profit Margin** = Net Operating Income / Net Sales

**Net Profit Margin** = Net Profits / Net Sales

**Total Assets** = Total Liabilities + Total Shareholders’ Equity

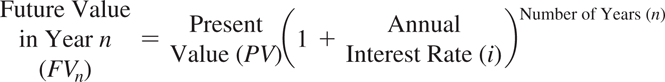
**Net Working Capital** = Current Assets – Current Liabilities

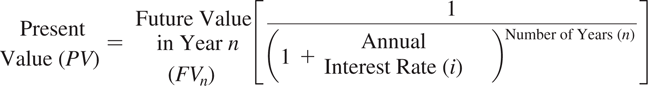
**Change in Cash Flow (Yeart)** = Ending cash Balance (Yeart) – Ending Cash Bance (Yeart-1)

**Quality of Earnings** = Cash Flow From Operations / Net Income

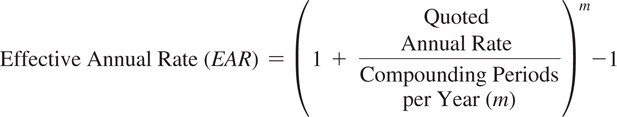
**Capital Acquisitions Ratio** = Cash Flow From Operations / Cash Paid For Capital Expenditures

**Chapter 5**





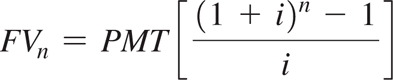
*Approximation Formula*: Nper = 72/interest rate

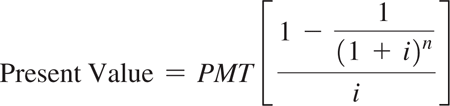


EAR = (e quoted rate ) – 1 (Continuous Compounding)

**Chapter 6**

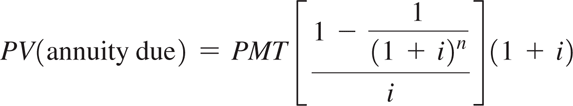
*Ordinary Annuity*



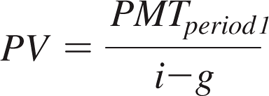


*Annuity Due*



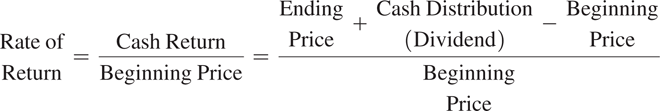


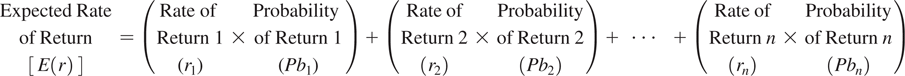
*Perpetuity*



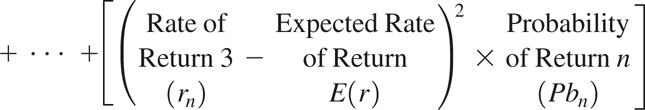
**Chapter 7**







*Variance*



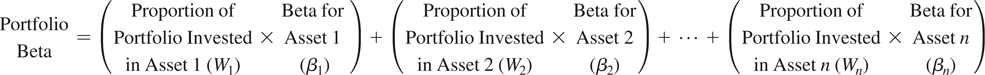
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**Chapter 8**

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*Portfolio Standard Deviation (with 2 assets)*

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