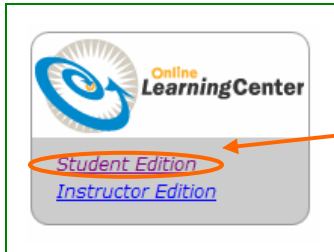
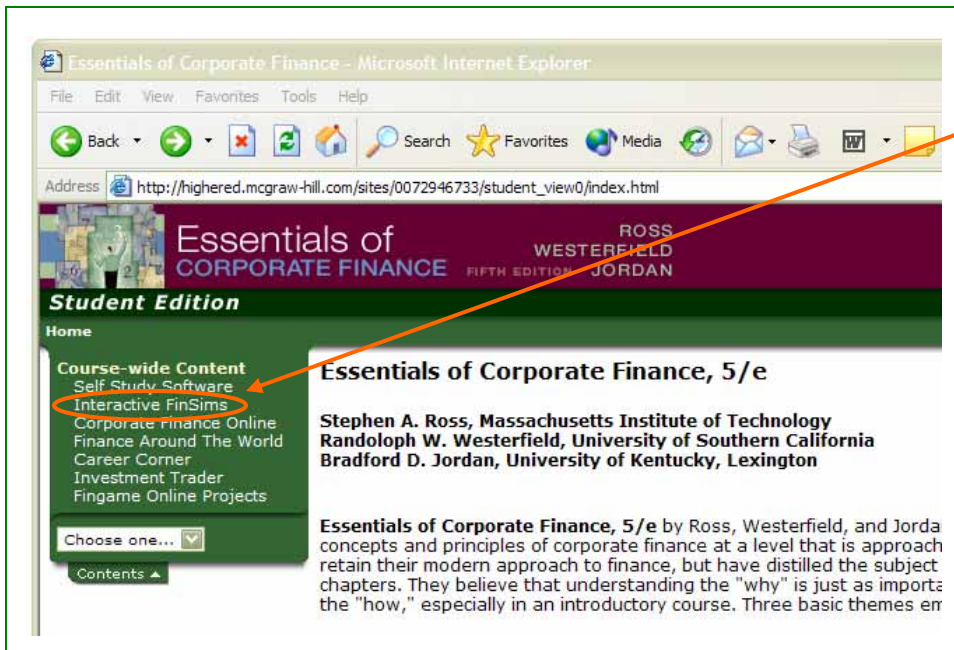


FINSIMS MINI-DEMO

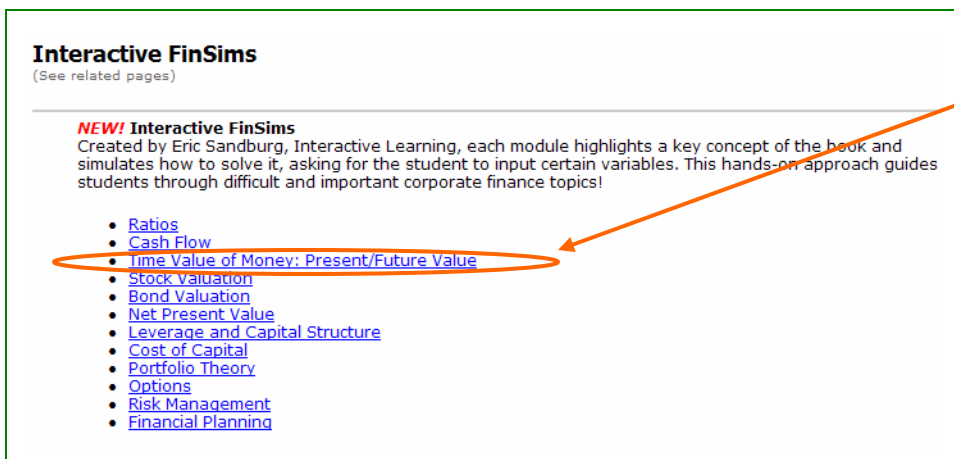
- Go to the OLC of the book you're targeting. (We will be looking at the Ross Essentials site in this demo.)



Scroll down to and click on Student Edition.



Click on Interactive FinSims.

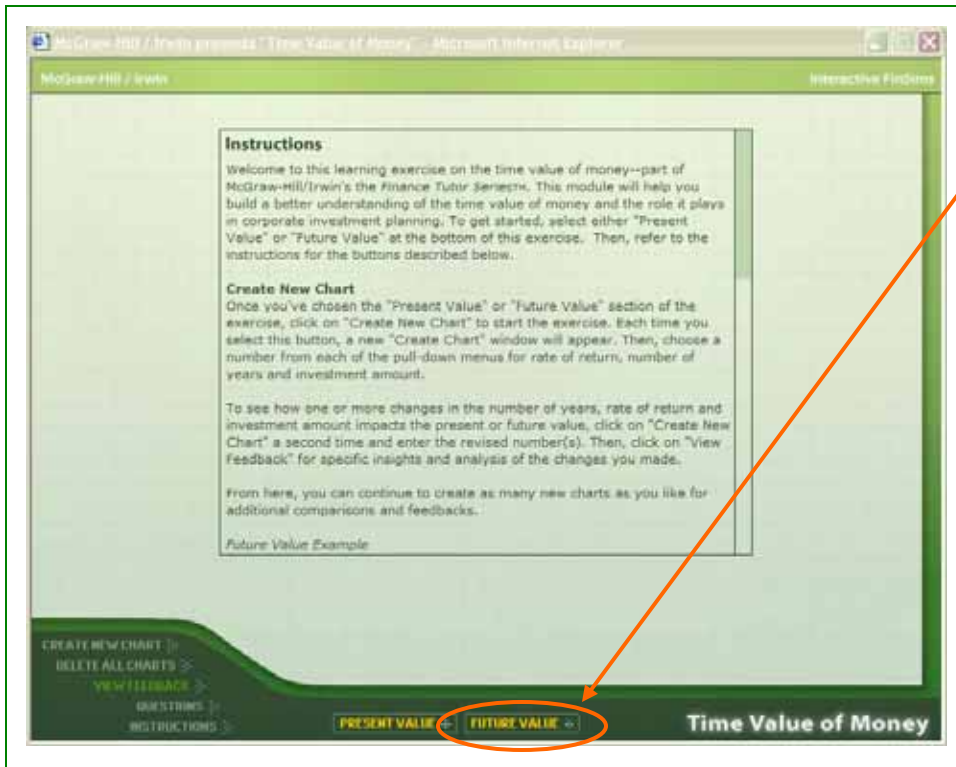


Click on Time Value of Money.

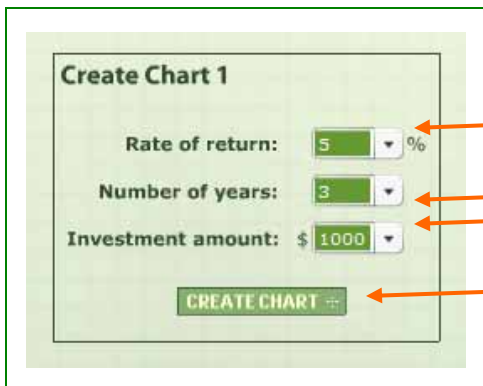
Note: Time Value of Money, or TVM, is comparing investment opportunities, or looking at the difference between the value of money now versus later on as interest accrues.



Click ENTER.



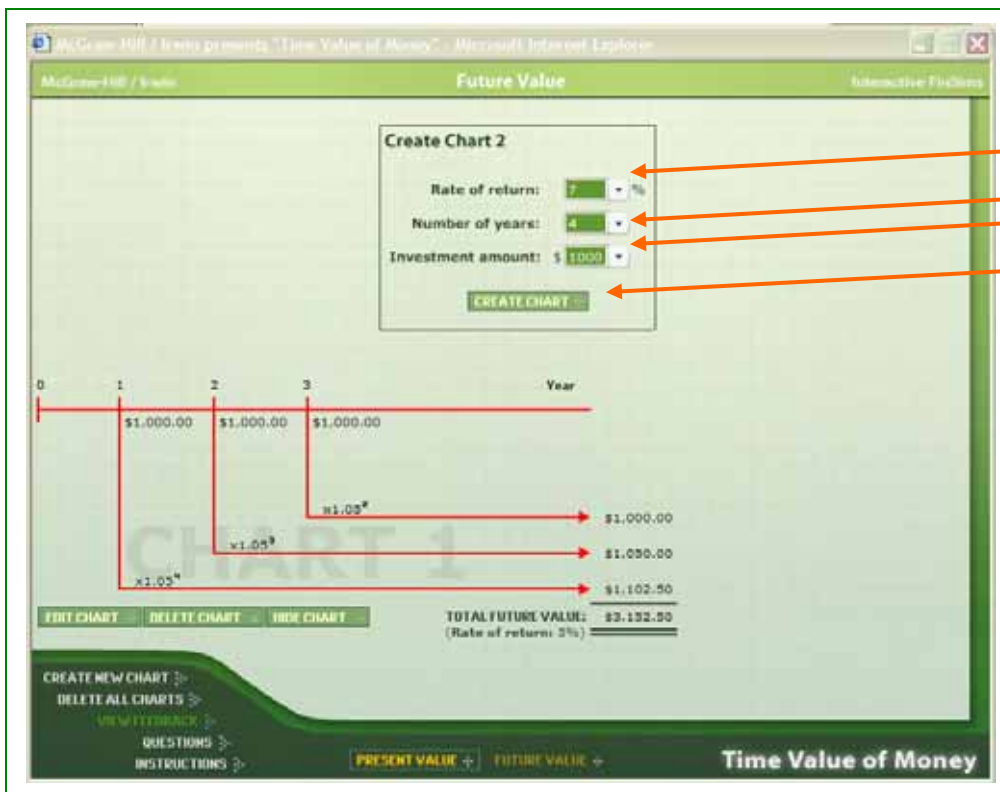
Click FUTURE VALUE.



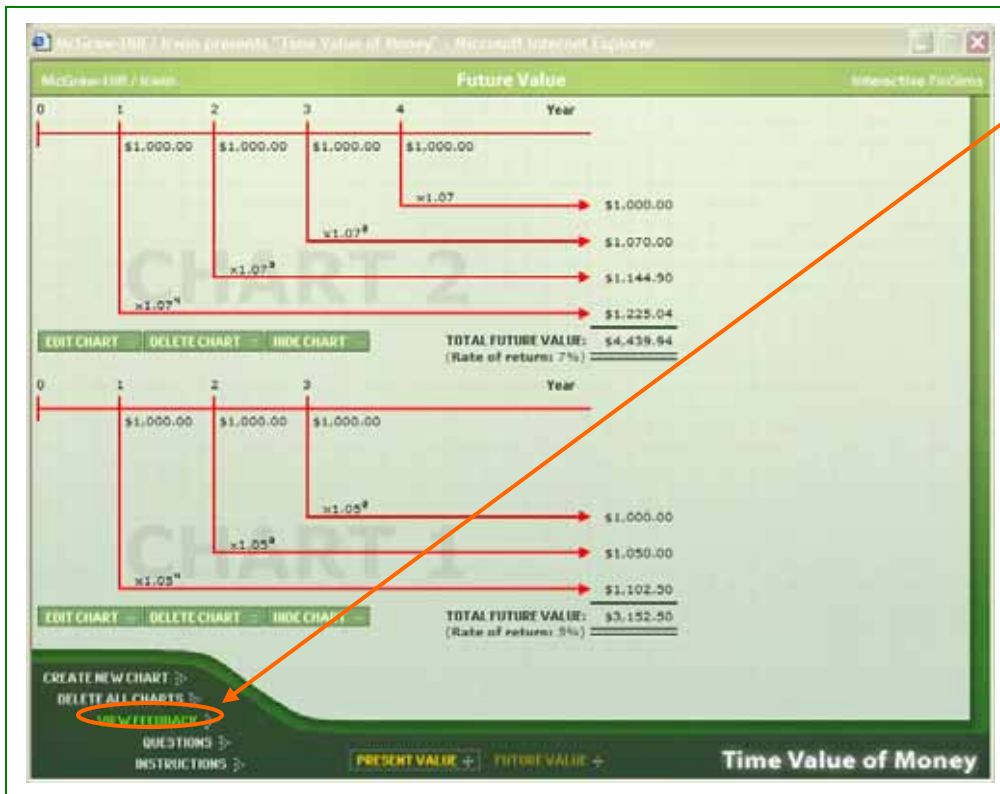
Using the drop down menus,
1. select a 5% rate of return
2. over 3 years
3. for \$1000
Then,
4. click CREATE CHART.



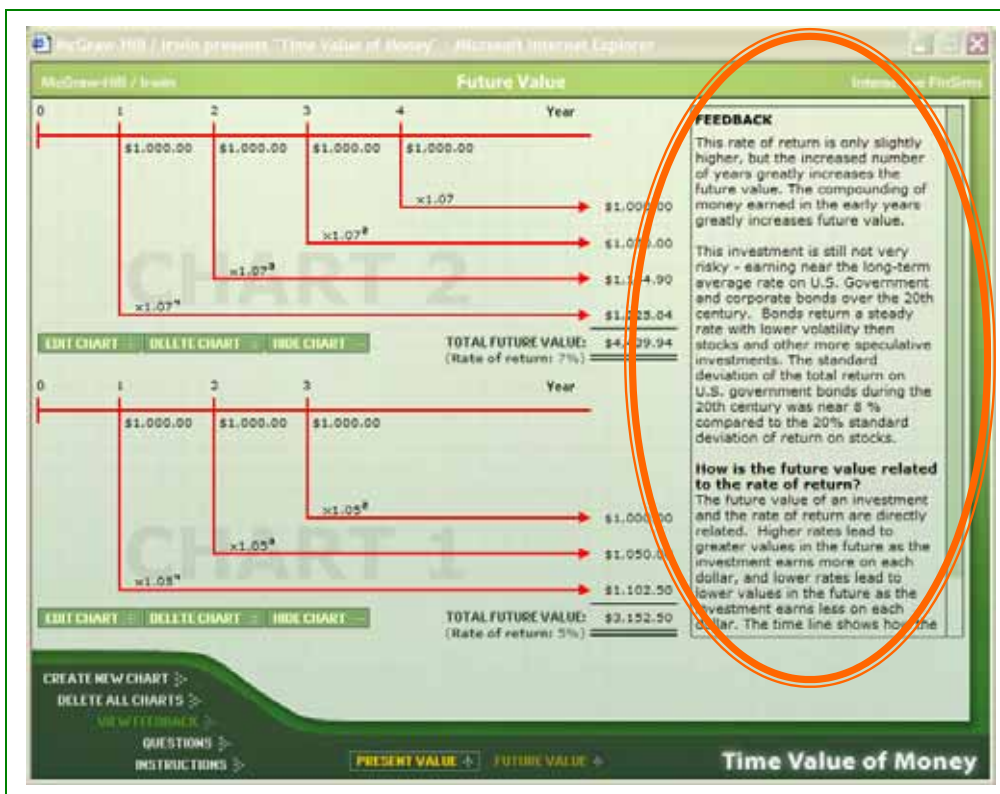
View chart briefly, then click CREATE NEW CHART.



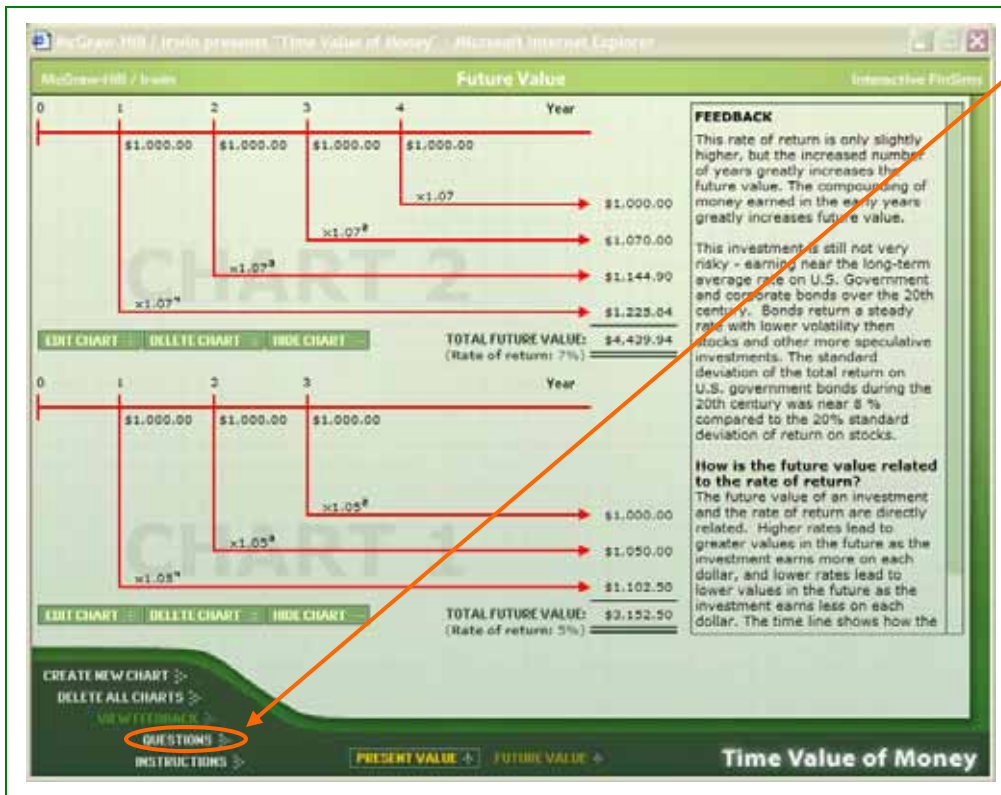
Using the drop down menus,
 1. select a 7% rate of return
 2. over 4 years
 3. for \$1000
 Then,
 4. click CREATE CHART.



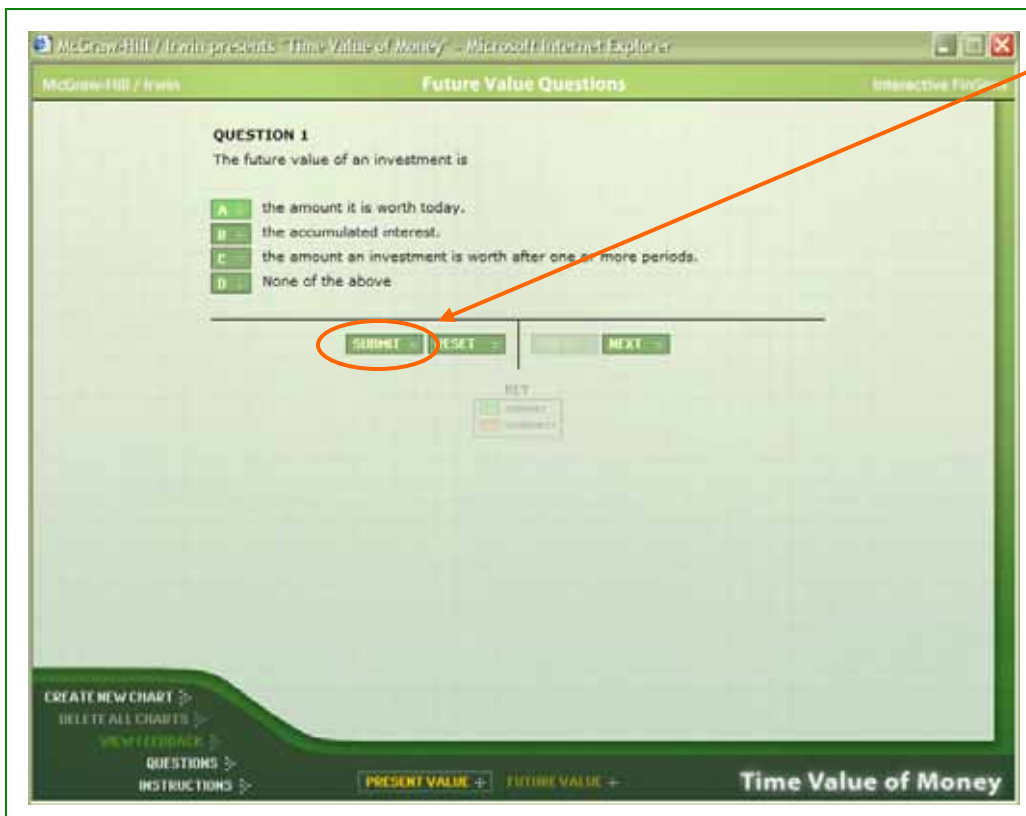
View chart briefly, then click VIEW FEEDBACK.



Talking point: Authors customize the feedback for all scenarios. Read the first paragraph when the feedback appears. (This is one of the most exciting and important points about FinSims.)



Click QUESTIONS.



Select an answer and click SUBMIT.

McGraw-Hill / Irwin presents "Time Value of Money" - Microsoft Internet Explorer

McGraw-Hill / Irwin **Future Value Questions** Interactive Problems

QUESTION 1
The future value of an investment is

- A the amount it is worth today.
- B the accumulated interest.
- C the amount an investment is worth after one or more periods.
- D None of the above

KEY
 CORRECT
 INCORRECT

FEEDBACK
Incorrect. This is the present value. By definition, the future value is the amount an investment is worth after one or more periods, as in Choice C. The formula is "Future value = investment $\times (1+r)^{nt}$ ". The expression, $(1+r)^{nt}$, refers to compound interest or interest earned on interest at the rate, r , for t periods. For example, an investment of \$100 for five years at 5 percent interest compounded annually would be $\$100 \times (1.05)^5 = \127.63 , with the \$27.63 representing the accumulated interest.

CREATE NEW CHART
DELETE ALL CHARTS
VIEW FEEDBACK
QUESTIONS
INSTRUCTIONS

PRESENT VALUE FUTURE VALUE

Time Value of Money

Note that the correct answer and feedback are displayed. Click NEXT to continue; repeat for the remaining two questions.