

## Using the Finance Application on the TI 83+/84

Press [APPS], then **FINANCE**, choose **TVM Solver**. Press [ENTER]

```
N=120
I%=9
PV=-4079.37305
PMT=0
FV=10000
P/Y=12
C/Y=12
PMT: [ ] [ ] [ ] BEGIN
```

N = The number of total periods for compounding  
 I% = the interest rate (usually an annual rate)  
 PV = Present value  
 PMT = the periodic payment  
 FV = Future value  
 P/Y = Payments periods per year  
 C/Y = Compounding periods per year

NOTE: No entry can be left blank.

Example 1. When you were born your grandparents deposited \$5,000 in a special account for your 21<sup>st</sup> birthday. The interest was compounded monthly at 5%. How much will it be worth on your 21<sup>st</sup> birthday?

```
N=252
I%=5
PV=5000
PMT=0
FV=0
P/Y=12
C/Y=12
PMT: [ ] [ ] [ ] BEGIN
```

Now with the cursor flashing over the FV= 0 (or any number – it doesn't matter as long as it is not left blank), press [ALPHA] [SOLVE] SOLVE is over the [ENTER] Key.

```
N=252
I%=5
PV=5000
PMT=0
FV=-14257.12055
P/Y=12
C/Y=12
PMT: [ ] [ ] [ ] BEGIN
```

WOW! You will have \$14,257.12.

2. What if, every month she also added \$10. How much does that change your future balance? Change PMT to \$10. Then press [ALPHA] [SOLVE]

```
N=252
I%=5
PV=5000
PMT=10
FV=-18700.53842
P/Y=12
C/Y=12
PMT: [ ] [ ] [ ] BEGIN
```

3. Suppose you find a car for \$12,500. You are going to put \$3000 down and take a loan for the rest for 4 years? The rate offered to you is 8.3%. What is your car payment each month?

```
N=48
I%=8.2
PV=9500
PMT=0
FV=0
P/Y=12
C/Y=12
PMT: [ ] [ ] [ ] BEGIN
```

Press [ALPHA] [SOLVE] while cursor is on the PMT.

```
N=48
I%=8.2
PV=9500
PMT=232.81566...
FV=0
P/Y=12
C/Y=12
PMT: [ ] [ ] [ ] BEGIN
```