Present Value Calculation

A	B	C	D	E
Date that Cash is Paid Out or is Received	Amount of Cash Paid Out	Amount of Cash Received	Present Value at Day 1 for each 1.000 received at the time in Col **A** if the rate is 10%	Present Value on Day 1 of the Cash Received on the dates shown (**C** x **D**)
Day 1	$			
1 Year after Day 1		$	0.909	$
2 Years after Day 1			0.826	
3 Years after Day 1			0.751	
4 Years after Day 1			0.683	
5 Years after Day 1			0.621	
6 Years after Day 1			0.564	
7 Years after Day 1			0.513	
8 Years after Day 1			0.467	
9 Years after Day 1			0.424	
10 Years after Day 1			0.386	
11 Years after Day 1			0.350	
12 Years after Day 1			0.319	
13 Years after Day 1			0.290	
14 Years after Day 1			0.263	
15 Years after Day 1			0.239	
Totals	**$**			**$**

Notes:
This form assumes there is one payment (investment) occurring on Day 1. It also assumes that the receipts occur only at the end of the year.

Column E is referred to as the discounted cash flow amount.

If the total of Column E is equal to the total of Column B, the rate of return on the amount invested is exactly 10%. If the total of Column E is more than the total of Column B, the rate of return is more than 10%. If Column E is less than Column B, the rate of return is less than 10%.

The present value factors for rates other than 10% (which are used in Column D) can be found within AccountingCoach.com's Explanation of the Present Value of a Single Amount.

See **Filled-In Form G13** for an illustration.
Learn more about present value calculations at www.AccountingCoach.com.