



## Glossary of Terms

### The icon toolbar for accessing common features/functions

**Insert:** Allows you to add a cash flow line anywhere in the matrix by highlighting the line below, to Insert a line above.

**Delete:** Allows you to remove a line by highlighting the line and clicking Delete.

**Expand:** When a cash flow line has a Number larger than 1, TValue expands a series so that each cash flow line will represent a single event.

**Compress:** When Compress is chosen, TValue attempts to consolidate into a series all cash flows based on the compounding period/computation interval that is in effect. Any cash flow lines that cannot be consolidated into a series will be left as individual events.

**Sort:** Allows you to place the cash flows in chronological order.

**Rounding:** If any amount remains unaccounted for after computing, TValue refers to it as a Rounding amount. This amount will be displayed in the Rounding dialog. If no Unknown values exist when the Calculate command is chosen, any remaining balance, positive or negative, will be accounted for in the Rounding dialog.

**Balance:** To compute the balance on an investment or loan as of a chosen date. It will also compute the date when a certain balance is reached.

**Totals:** To display a totals summary of your cash flow. These totals include Loan, Payment, Deposit, Withdrawal, and Interest. If a Rounding amount has been left as an Open Balance, the Totals dialog will display the amount of the Open Balance.

### Compute Options:

#### Compute Method:

**Normal (compound interest)** This is ordinary compound interest. At the end of each compound period, any unpaid interest for the period is added to principal and becomes subject to interest in the following compound period. Normal payments are applied first to interest and then to principal.

**U.S. Rule (simple interest - no compounding)** Similar to Normal, except that any unpaid interest is held as a separate non-interest-bearing balance. Later payments are applied first to the unpaid interest. Interest is never charged on interest. When U.S. Rule is in effect, you have the option to allocate payments to principal first even when there is unpaid accrued interest.

**Canadian** Payments are generally made monthly, but interest is compounded semiannually or annually.

**Rule of 78** A method of allocating interest over time. The total amount of interest on a loan is pre-computed.

**Year Length:**

**365** Choose 365 to compute daily interest for odd periods using 1/365 of the Nominal Annual Rate.

**364** Choose 364 to compute daily interest for odd periods using 1/364 of the Nominal Annual Rate. This setting is useful when you are working with weekly payments and want your daily rate for stub periods to be exactly 1/7 of the weekly rate.

**360** Choose 360 to compute daily interest for odd periods using 1/360 of the Nominal Annual Rate. This setting is common for commercial loans and bonds.

**Date Counting:**

**Normal**

**30/360:** Using a 30/360 calculation allows for interest to be calculated based upon a 30 day month regardless if the month has more or less than 30 days. These 30 day accrual intervals are accepted to be done within a 360 day calendar year, hence the numerical rendering 30/360.

**Input Setup:** Allows you to update and reset the application's default settings for the Cash Flow.

**Event Names:** TValue allows you to use predefined Event Names and groups or create your own. Event Groups combine complementary events together. For example, a Loan is complementary to a Payment. An Investment is complementary to a Return. All events belong to an Event Group and are one of two basic group types: Loan/Payment or Deposit/Withdrawal.

**Special Series:** In contrast to equal and regular payments, some payments vary in their amount, when they are made, or even how they are applied to interest and principal. Some examples include payments that are regularly skipped due to seasonal cash flow, payment amounts that increase on a regular basis due to cost-of-living adjustments, or payments that are made to cover accrued interest only or to reduce outstanding principal. TValue places payments such as these into a category called Special Series. The Special Series can be used to generate **Normal Series, Interest Only, Fixed Principal + Interest, Existing Fixed, Principal First, Amount Step, Percent Step, Skip Series,** and **Monthly Skip,** payments, deposits, or withdrawals, and others.

**Loan Details:** For many loans, especially mortgages, there may be upfront charges that need to be included for purposes of computing the Annual Percentage Rate (APR). If points, prepaid interest, or other charges are included in a mortgage, the computed APR will be higher than the Nominal Annual Rate (NAR).

**Calculate:** To compute an Unknown, type U in a field that you want to calculate. TValue can calculate any variable between the Nominal Annual Rate, Loan amount, Payment amount, or the Number (term) as long as 3 of the 4 variables are known. Only one Unknown can be calculated at one-time.