Discount Analyses Spreadsheet

\[
\begin{array}{c|cccc}
C_i & (1+i) & (1+i)^2 & \ldots & (1+i)^n \\
\hline
C_i & \frac{100}{(1+i)} & \frac{100}{(1+i)^2} & \ldots & \frac{100}{(1+i)^n} \\
\end{array}
\]

\[\text{Answer} = \sum \]

The Cool Derivation

\[n \sigma_n = [1 + (n/m)]^m - 1\]

\[p = \frac{M}{n}\]

\[\frac{F}{P, i, n} = (1 + \frac{i}{n})^n = (1 + \frac{r}{n})^n\]

\[\lim_{n \to \infty} (1 + \frac{i}{n})^n = e\]

(See Note on Equivalence)

Effective v.s. Nominal Rate

\[\frac{1000 \times 1.02}{1120} \quad \frac{1000 \times 1.03}{1250} \quad \frac{1000 \times 1.06}{1120} \quad \frac{1000 \times 1.07}{1120}\]

Effective Rate: 12.36\%

Proposed Map of Downtown Boston, 1970
Review of what we are and where we are going

Present Economy

But - time value of money

Equivalence

But, what is the discount rate (and assumption)

Sensitivity Analysis

But - what about non-cash, non-financial?

Panama Canal

Very general perspective

Don't get lost in details