Self-Made Assignment - MS Excel

Use of NPV Net Present Value and PMT Function in MS Excel

Make this Dataset.

PMT Function:

Loan Amount (₹)	Annual Interest Rate (%)	Loan Term (Years)	Monthly Payment (PMT in ₹)
500000	8.5%	5	
750000	9%	7	
1000000	10.5%	10	
1250000	7.2%	6	
1500000	8%	8	

Tasks:

To Calculate Monthly Payment:
=PMT(rate, nper, pv)
=PMT(8.5%/12, 5*12, -500000)

1. rate = Annual Interest Rate / 12 (since monthly payments)
2. nper = Loan Term in Years * 12 (months)
3. pv = Loan Amount (negative because it's an outgoing cash flow)

Loan Amount (₹)	Annual Interest Rate (%)	Loan Term (Years)	Monthly Payment (PMT in ₹)
500000	8.5%	5	₹ 10,258.27
750000	9%	7	₹ 12,066.81
1000000	10.5%	10	₹ 13,493.50
1250000	7.2%	6	₹ 21,431.51
1500000	8%	8	₹ 21,205.02

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NPV Function:

	A	B
1	Year	Cash Flows (₹)
2	0	-500000
3	1	120000
4	2	150000
5	3	180000
6	4	200000
7	5	250000
8	Interest	10%
9	NPV	?

Tasks:

To Calculate NPV:

=NPV (Rate of Interest , Value 1 , value2…) + Initial Investment
=NPV(10%,B3:B5)+B2

NPV = 160127.53