After completing this lesson, you will be able to:

- Use the PMT function to forecast loan payments.
- Calculate cumulative interest.
- Compute investment value.
- Use the IF function.

Using the Payment (PMT) Function

To use the Payment (PMT) function

1. Click the cell that will contain the formula.

2. On the Insert menu, click Function.

3. In the Or select a category list, click Financial.

4. In the Select a function list, click PMT and click OK.

5. Enter the interest rate, number of payments, and principal.

6. Click OK.

Using the Cumulative Interest (CUMIPMT) Function

To use the Cumulative Interest (CUMIPMT) function

1. Click the cell that will contain the formula.
2. On the Insert menu, click Function.
3. In the Or select a category list, click Financial.

(continued)

Using the Cumulative Interest (CUMIPMT) Function

To use the Cumulative Interest (CUMIPMT) function *(continued)*

4. In the Select a function list, click CUMIPMT and click OK.

5. Enter the interest rate, number of payment periods, and principal.

6. Enter the start period, end period, and type and then click OK.

Using the Future Value (FV) Function

To use the Future Value (FV) function

1. Click the cell that will contain the formula.
2. On the Insert menu, click Function.
3. In the Or select a category list, click Financial.

(continued)

Using the Future Value (FV) Function

To use the Future Value (FV) function *(continued)*

4. In the Select a function list, click FV and click OK.

5. Enter the interest rate, number of payment periods, and payment amount.

6. Click OK.

Using the IF Function

To use the IF function

1. Click the cell that will contain the formula.

2. On the Insert menu, click Function.

3. In the Or select a category list, click Logical.

(continued)

Using the IF Function

To use the IF function *(continued)*

4. In the Select a function list, click IF and click OK.

5. Type the Logical_test expression, the Value_if_true, and the Value_if_false.

6. Click OK.