

PV function - Function that gives the current value of the investor in Excel

The following article contains detailed instructions for the PV function to help you determine the current value of the investor.

In the process of calculating the investment, make sure you plan to see how much time it will yield a profit. But the important thing with the profit so you need to spend how much capital. The following article contains detailed instructions for the PV function to help you determine the current value of the investor.

Description: The PV function has very large practical applications. It helps investors determine the amount of capital to spend to get the desired amount of interest.

Syntax: PV (rate, nper, pmt, [fv], [type]) .

Inside:

- **rate** : Interest rate by period, is required parameter.
- **nper** : Total payment terms, required.
- **pmt** : The total number of payments in each period and this parameter remains constant throughout the life of the annuity, which is the required parameter.
- **fv** : The value of the cash balance you want to get after making all final payments, is an optional parameter if the default value is omitted to 0.
- **type** : Specify the time of payment is due, there are 2 values ??are 0 and 1.

For example:

An investor wants a sum of 300 million over a 2-year period. Calculating how much the investor had to put in the initial capital knew the profit rate was 18%.

From the above data we have the following data table:

| Hàm PV trong Excel | | | |
|-------------------------|---------|-----------------|--|
| STT | Tham số | Giá trị tham số | |
| 1 | Rate | 15% | |
| 2 | nper | 2 | |
| 3 | fv | 3,000,000,000 | |
| Tổng số vốn cần đầu tư: | | ? | |

In the cell to calculate enter the following formula: = PV (D6, D7,0, D8) .

| Hàm PV trong Excel | | | |
|-------------------------|---------|-----------------|--|
| STT | Tham số | Giá trị tham số | |
| 1 | Rate | 15% | |
| 2 | nper | 2 | |
| 3 | fv | 3,000,000,000 | |
| Tổng số vốn cần đầu tư: | | =PV(D6,D7,0,D8) | |

Pressing **Enter** results as:

| Hàm PV trong Excel | | | |
|-------------------------|---------|------------------|--|
| STT | Tham số | Giá trị tham số | |
| 1 | Rate | 15% | |
| 2 | nper | 2 | |
| 3 | fv | 300,000,000 | |
| Tổng số vốn cần đầu tư: | | (226,843,100.19) | |

Thus, to obtain the amount of 300,000,000 within 2 years with an interest rate of 15% => the amount of capital that the investor has to spend is approximately 227 million.

Above is the instruction for using the PV function, hopefully you will have the proper preparation and investment.

Good luck!

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