

# FIN 330 Challenge Exam Formulas

$$\text{Cost of foregoing cash discount} = \frac{\text{discount \%}}{100\% - \text{discount \%}} \times \frac{360}{\text{final due date} - \text{discount period}}$$

$$\text{Constant Growth model: } P_0 = \frac{D_1}{r - g}$$

$$\text{CAPM: } r_j = r_f + (r_m - r_f)\beta_j$$

$$DOL = \frac{\% \Delta \text{ in EBIT}}{\% \Delta \text{ in Sales}}$$

$$DOL = \frac{Q(P - VC)}{Q(P - VC) - FC}$$

$$DFL = \frac{\% \Delta \text{ EPS}}{\% \Delta \text{ EBIT}}$$

$$DFL = \frac{EBIT}{EBIT - I}$$

$$DCL = \frac{\% \Delta \text{ EPS}}{\% \Delta \text{ Sales}}$$

$$DCL = DOL \times DFL$$

$$DCL = \frac{Q(P - VC)}{Q(P - VC) - FC - I}$$