MOST USED MATHEMATICAL COMPONENTS

in Finance

(^ or **) EXPONENTIATION

Exponentiation is a powerful mathematical operation used in finance. It is commonly used for compounding interest, calculating future values, and determining growth rates.

(V) 2 SQUARE ROOT

The square root is a mathematical component used to find the value that, when multiplied by itself, gives the original number. In finance, it is used for risk analysis, volatility calculations, and determining standard deviations.

(|) ABSOLUTE VALUE

The absolute value is used in mathematics to denote the magnitude or distance of a number from zero, regardless of its sign. In finance, the absolute value is commonly used for risk assessment, measuring deviations from expected values, and determining the magnitude of price changes.

(%) PERCENTAGE

The percentage is widely recognized and used in finance to represent a proportion or rate per hundred and is commonly used for expressing interest rates, returns, profit margins, and market shares.

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Infinity represents an infinitely large or limitless value. In finance, it is used to indicate perpetual growth, unbounded returns, and indefinite time horizons. It often appears in concepts like perpetuities and infinite series.

(LJ) FLOOR

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The floor function is used to round a number down to the nearest whole number or integer. In finance, the floor function is often used to determine the minimum values for various calculations, such as minimum required rates of return or minimum capital requirements.

(I) CEILING

The ceiling function is used to round a number up to the nearest whole number or integer. In finance, the ceiling function is employed when determining maximum values, such as maximum allowable prices or maximum borrowing limits.

LEARNING AND SUCCEEDING!

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