

AP

$$\text{Effective Interest} = \left(1 + \left(\frac{r}{p}\right)\right)^p - 1$$

Leverage

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

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

$$\text{Total Leverage} = \frac{\% \Delta \text{EPS}}{\% \Delta \text{Sales}} \text{ aka } \text{DOL} \times \text{DFL}$$

$$\text{CAPM} = R + B(M - R)$$

$$\text{ROI} = \frac{\text{Income}}{\text{Investment}}$$

aka Return on Sale

$$\text{ROI} = \text{Profit Margin} \times \text{Investment Turnover}$$

Discounts

$$\frac{360}{(\text{Pay Period} - \text{Discount Period})} \times \frac{\text{Discount \%}}{(100 - \text{Discount \%})}$$

$$\text{Inventory Conversion Period} = \frac{\text{Avg Inv}}{\text{Avg Co Sales per day}}$$

$$\text{Payable Deferral Period} = \frac{\text{Avg A/P}}{\text{Avg Purchases per day}}$$

Avg Collection Period =

$$\text{EOQ} = \sqrt{\frac{250}{C}}$$

$$\sqrt{\frac{2 \times \text{Annual Sales Units} \times \text{Cost per order}}{\text{Carrying Cost per unit}}}$$

Impact of Foreign Currency  $\uparrow \downarrow$

| US \$        | A/R  | A/P  |
|--------------|------|------|
| $\uparrow$   | Loss | Gain |
| $\downarrow$ | Gain | Loss |

GDP

Govt Purchase  
Investment  
Consumption - Personal  
Exports - Net

Income  
Profits - Corp  
Interest - Net  
Rental  
Adj Net Foreign In  
Taxes  
Employer - Wage  
Depreciation

GNP = All Domestic <sup>Production</sup> regardless of owner

Materials  $\rightarrow$  WIP  $\rightarrow$  FG  $\rightarrow$  CoGS

Begin Balance  
Add New Stuff  
Subtract Transfers to CoGS/CoGS  
Ending Balance

Units

Costs

FIFO =  $\frac{\% \text{ Remaining \& Beginning Units Started \& Completed}}{\% \text{ Completed} \times \text{Ending Units}}$   
Equivalent units of production

Current Costs Only

$\rightarrow$  EUP  
= Cost per unit

Weighted Avg  $\frac{\text{Completed This Period} \times \text{Ending}}{\text{Equivalent units of production}}$

Beginning + Current Costs

$\rightarrow$  EUP  
= Cost per unit

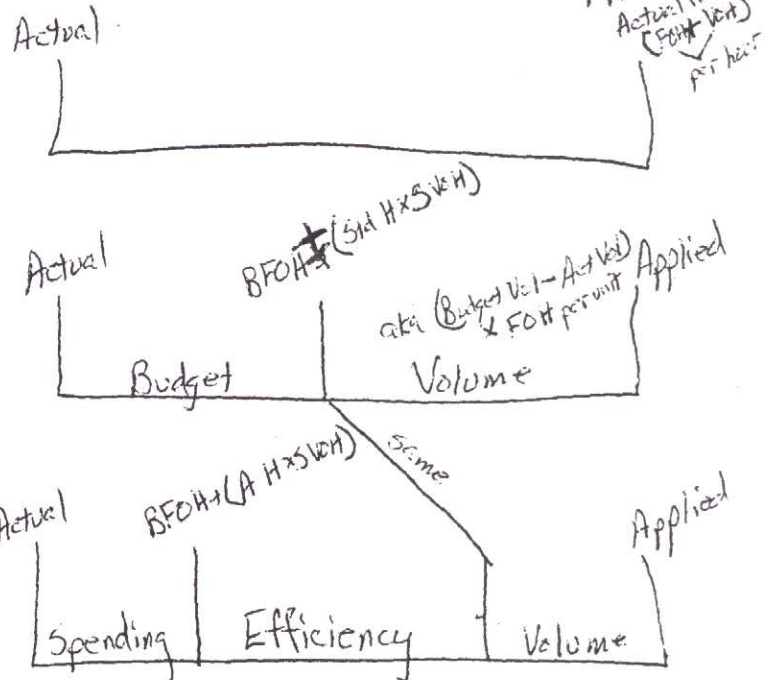
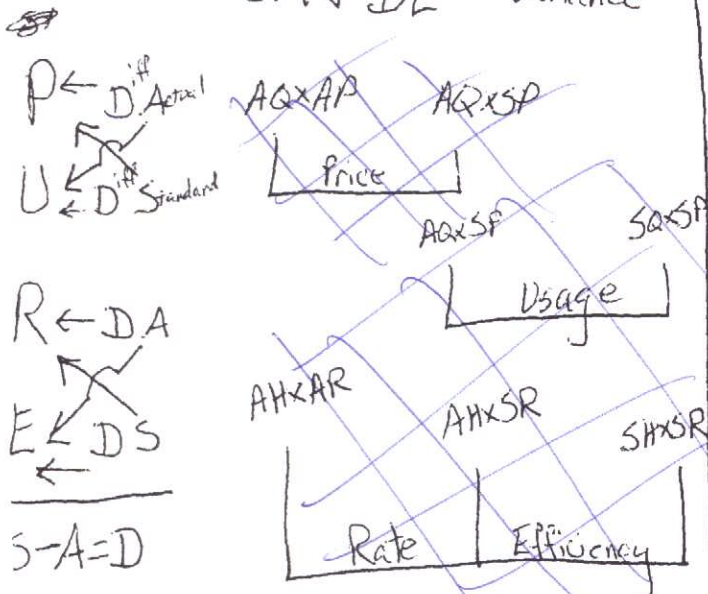
Absorption = DM + DL + OH  $\stackrel{\text{Fixed + Var}}{\downarrow}$  = GAAP

Variable = DM + DL + V OH = NOT GAAP

$\leftrightarrow$  = Absorb NI = Var NI  
 $\uparrow$  Inv = Absorb NI > Var NI  
 $\downarrow$  Inv = Absorb NI < Var NI

DM + DL Variance

OH Variance



Price  
Usage  
Rate  
Efficiency  
Standard  
Actual  
Difference

F = Fixed  
V = Variable  
B = Budgeted  
OH = overhead