

# New Corporate Finance Application-Based Activities



The Connect **Application-Based Activities (ABAs)** provide students valuable practice using problem-solving skills to apply their knowledge to realistic scenarios. Students progress from understanding basic concepts to using their knowledge to solve problems.

**The Time Value of Money** Return to Activity Score

**Contract Offers** **PV Annuity** **Materials**

Sounds good, I'll take some notes.

**Luke**

Basically, the goal is to convert future dollars into how much they are worth in the present to see how much each contract is worth, applies to apples. You should discount future cash at a 10 percent interest rate.

**Steve**

Let's work through the first contract together. How much is the signing bonus worth today?

**Steve**

**\$900,000**

**Luke**

Right! This isn't a trick question, \$900,000 received immediately does not need to be discounted back to the present.

**Steve**

And which value from the TVM Annuity table (in the Materials section to the right) would you use to discount the \$850,000 paid at the end of Years 1 through 5 to the present? Remember that we are assuming a 10% discount rate.

Period	1%	2%	3%	4%	5%	6%	7%	8%	9%	10%	11%
1	0.990	0.980	0.971	0.962	0.952	0.943	0.933	0.926	0.917	0.909	0.901
2	1.970	1.942	1.913	1.886	1.859	1.833	1.808	1.783	1.759	1.736	1.713
3	2.941	2.884	2.829	2.775	2.723	2.673	2.624	2.577	2.531	2.487	2.444
4	3.902	3.808	3.717	3.630	3.546	3.465	3.387	3.312	3.240	3.170	3.102
5	4.853	4.713	4.580	4.452	4.329	4.212	4.100	3.993	3.890	3.791	3.696
6	5.795	5.601	5.417	5.242	5.076	4.917	4.767	4.623	4.486	4.355	4.231
7	6.728	6.472	6.230	6.002	5.786	5.582	5.389	5.206	5.033	4.868	4.712
8	7.652	7.325	7.020	6.733	6.463	6.210	5.971	5.747	5.535	5.335	5.146
9	8.566	8.162	7.786	7.435	7.108	6.802	6.515	6.247	5.995	5.759	5.537
10	9.471	8.983	8.530	8.111	7.722	7.360	7.024	6.710	6.418	6.145	5.889
11	10.368	9.787	9.253	8.760	8.306	7.887	7.499	7.139	6.805	6.495	6.207
12	11.255	10.575	9.954	9.385	8.863	8.384	7.943	7.536	7.161	6.814	6.492
13	12.134	11.348	10.635	9.966	9.394	8.853	8.358	7.904	7.487	7.103	6.750
14	13.004	12.106	11.296	10.563	9.899	9.295	8.745	8.244	7.786	7.367	6.982
15	13.865	12.849	11.938	11.118	10.380	9.712	9.108	8.559	8.061	7.606	7.191
16	14.719	13.578	12.561	11.652	10.838	10.106	9.447	8.851	8.313	7.824	7.379
17	15.562	14.292	13.166	12.166	11.274	10.477	9.763	9.122	8.544	8.022	7.549
18	16.396	14.992	13.754	12.659	11.690	10.828	10.059	9.372	8.756	8.201	7.702
19	17.226	15.678	14.324	13.134	12.085	11.158	10.336	9.604	8.950	8.365	7.839
20	18.046	16.351	14.877	13.590	12.462	11.470	10.594	9.818	9.129	8.514	7.963
25	22.023	19.523	17.413	15.622	14.094	12.783	11.654	10.675	9.823	9.077	8.422
30	25.808	22.396	19.600	17.292	15.372	13.765	12.409	11.258	10.274	9.427	8.694
40	32.835	27.355	23.115	19.793	17.159	15.046	13.332	11.925	10.757	9.779	8.951
50	39.196	31.424	25.730	21.482	18.256	15.762	13.801	12.233	10.962	9.915	9.042

3.791  
4.355  
3.890  
3.170

Submit

## Application-Based Activities (ABAs) are available for the following titles within McGraw Hill Connect®:

- Ross, Fundamentals of Corporate Finance 13e
- Cornett, M: Finance 5e
- Hillier, Corporate Finance 3e
- Hillier, Corporate Finance 4e
- Hillier, Fundamentals of Corporate Finance 4e

# Corporate Finance Application-Based Activities

As a learning science company, we created these Application-Based Activities to help students develop their higher-order thinking skills aligned with Bloom's Taxonomy. By assigning these activities, you can help students move from simple memorization to concept application.

## Bloom's Taxonomy



## Available ABAs:

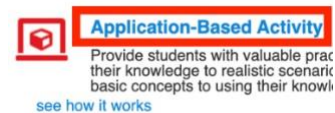
1. The Goals and Activities of Financial Management
2. Review of Accounting
3. Financial Analysis
4. Financial Forecasting
5. Operating and Financial Leverage
6. Working Capital and the Financing Decision
7. Current Asset Management
8. Sources of Short-Term Financing
9. The Time Value of Money
10. Valuation and Rates of Return
11. Cost of Capital
12. The Capital Budgeting Decision
13. Risk and Capital Budgeting
14. Capital Markets
15. Investment Banking
16. Long-Term Debt and Lease Financing
17. Dividend Policy and Retained Earnings
18. International Financial Management

## How to Access ABAs in Connect:

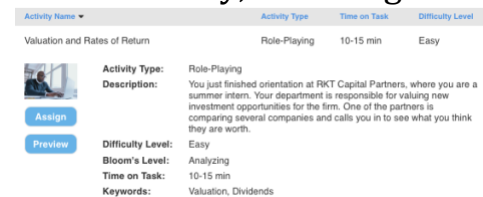
- Log in to [www.mhbm.com](http://www.mhbm.com) with your username and password
- Open your Connect course section
- Select "+ add assignment."



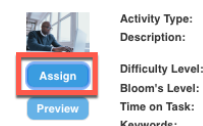
- Select "Application-Based Activity."



- Select an activity for an overview of the assignment, estimated time to complete, preview the activity, and assign it.



- To assign, click the "Assign" button.



- Complete the assignment details on the next screen and then click "Assign."