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FREQUENTLY USED SYMBOLS/ABBREVIATIONS

ACP	Average collection period
ADR	American depository receipt
APR	Annual percentage rate
A/R	Accounts receivable
b	Beta coefficient, a measure of an asset's riskiness
b_L	Levered beta
b_U	Unlevered beta
BEP	Basic earning power
BVPS	Book value per share
CAPM	Capital Asset Pricing Model
CCC	Cash conversion cycle
CF	Cash flow; CF_t is the cash flow in Period t
CFPS	Cash flow per share
CR	Conversion ratio
CV	Coefficient of variation
D_p	Dividend of preferred stock
D_t	Dividend in Period t
DCF	Discounted cash flow
D/E	Debt-to-equity ratio
DPS	Dividends per share
DRIP	Dividend reinvestment plan
DRP	Default risk premium
DSO	Days sales outstanding
EAR	Effective annual rate, EFF%
EBIT	Earnings before interest and taxes; net operating income
EBITDA	Earnings before interest, taxes, depreciation, and amortization
EPS	Earnings per share
EVA	Economic value added
F	(1) Fixed operating costs (2) Flotation cost
FCF	Free cash flow
FV_N	Future value for Year N
FVA_N	Future value of an annuity for N years
g	Growth rate in earnings, dividends, and stock prices
I	Interest rate; also referred to as r
I/YR	Interest rate key on some calculators
INT	Interest payment in dollars
IP	Inflation premium
IPO	Initial public offering
IRR	Internal rate of return
LP	Liquidity premium
M	Maturity value of a bond
M/B	Market-to-book ratio
MIRR	Modified internal rate of return
MRP	Maturity risk premium
MVA	Market value added
N	Calculator key denoting number of periods
$N(d_i)$	Represents area under a standard normal distribution function
NOPAT	Net operating profit after taxes
NOWC	Net operating working capital
NPV	Net present value
P	(1) Price of a share of stock in Period t; P_0 = price of the stock today (2) Sales price per unit of product sold

P_c	Conversion price
P_f	Price of good in foreign country
P_h	Price of good in home country
P/E	Price/earnings ratio
PMT	Payment of an annuity
PPP	Purchasing power parity
PV	Present value
PVA_N	Present value of an annuity for N years
Q	Quantity produced or sold
Q_{BE}	Breakeven quantity
r	(1) A percentage discount rate, or cost of capital; also referred to as I (2) Nominal risk-adjusted required rate of return
\bar{r}	"r bar," historic, or realized, rate of return
\hat{r}	"r hat," an expected rate of return
r^*	Real risk-free rate of return
r_d	Before-tax cost of debt
r_e	Cost of new common stock (outside equity)
r_f	Interest rate in foreign country
r_h	Interest rate in home country
r_i	Required return for an individual firm or security
r_M	Return for "the market," or an "average" stock
r_{NOM}	Nominal rate of interest; also referred to as I_{NOM}
r_p	(1) Cost of preferred stock (2) Portfolio's return
r_{PER}	Periodic rate of return
r_{RF}	Rate of return on a risk-free security
r_s	(1) Cost of retained earnings (2) Required return on common stock
ρ	Correlation coefficient; also denoted as R when using historical data
ROA	Return on assets
ROE	Return on equity
RP	Risk premium
RP_M	Market risk premium
RR	Retention rate
S	(1) Sales (2) Estimated standard deviation for sample data
SML	Security Market Line
Σ	Summation sign
σ	Standard deviation
σ^2	Variance
t	Time period
T	Marginal income tax rate
TV_N	A stock's horizon, or terminal, value
TIE	Times interest earned
V	Variable cost per unit
V_B	Bond value
V_p	Value of preferred stock
VC	Total variable costs
WACC	Weighted averaged cost of capital
X	Exercise price of option
YTC	Yield to call
YTM	Yield to maturity