

Why is this subject important?

- A quote from mathematician and physicist Albert Einstein:
“Compound interest is the eighth wonder of the world. He who understands it, earns it ... he who doesn't ... pays it.”

After finishing this subject, you will be able to:

- Calculate how much you can afford to borrow to buy a house.
- Estimate the price of a house, business, share, bond or any asset.
- Discuss rental and dividend yields, capital returns, total returns, risk, hedging and inflation with confidence.
- Avoid losing money in too-good-to-be-true ventures.

- Recognise the pitfalls of applying accounting concepts naively. Accountants often overlook opportunity costs and regret sunk costs.
- Understand the effects of debt (leverage), tax and negative gearing on returns and cash flows.
- Apply mathematics to real-world financial problems.
- Help your career and find employment in finance, business, accounting, real estate, management, sales and others.
- Have more friends after struggling through an interesting and very difficult subject.