

CISI IISI Formulae Sheet

1. Consumer Price Index

$$CPI = \frac{C_1}{C_0} * 100$$

C₁ = cost of market basket in current period

C₀ = cost of market basket in base period

2. Dividend Yield

$$Dividend Yield = \frac{Annual Dividend per Share}{Current Share Price} * 100$$

3. Market Capitalization

$$Market Cap. = Current Market price * Total no. of shares$$

4. Flat Yield

$$= \frac{Annual Coupon}{Price of bond} * 100$$

5. Forward Rate

$$Forward Rate = spot rate * \left(\frac{1 + quote\ currency\ short\ term\ rate}{1 + base\ currency\ short\ term\ rate} \right)$$

6. Effective Annual Interest Rate

$$= \left(1 + \frac{i}{n} \right)^2 - 1$$

i = Nominal Interest Rate

n = No. of compounding periods

7. Bid-Ask Spread %

$$= \frac{Ask Price - Bid Price}{Ask Price}$$

8. Coupon Amount

$$= \frac{\text{Face Value} * \text{Coupon Rate}}{\text{Frequency of payment}}$$

9. Net Tax

$$= \text{Amount} * (1-t)$$

t= Tax Rate

10. Gross Tax

$$= \frac{\text{Net Amount}}{(1 - t)}$$

11. Nil Paid price

$$= \text{TERP} - \text{Subscription Price}$$