Using the HP-12c calculator for financial calculations  
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This is a brief guide to using the HP-12c financial calculator. It does not replace your instruction booklet, nor does it replace actually practicing with the calculator. In the materials below, bold face indicates that you press a key with that label on your HP-12c. # below indicates that you press a number key on your HP-12c. g below indicates that you press the blue key; and f below indicates you enter the yellow-orange key.

**Setting up your calculator.** To set the number of digits after the decimal point, press f# where # is the number of digits you want to display after the decimal point.

**Financial calculations.** To do any calculation in finance using beginning of period payments, press g7. That will light the “begin” sign in your window. To get end of period payments, press g8. That will turn off the begin sign in your window.

You should use the following sign convention when you work on financial calculations:

- Treat cash flows you are receiving as positive numbers.
- Treat cash flows you are paying out as negative numbers.

To turn a positive number into a negative number, enter the number on your keypad and press CHS.

For the calculations below, remember the sign convention! If you have an error, either that or omitted data is the most likely cause. Remember that the interest rate must be consistent with the number of periods.

If you have 12 percent annual interest, and are using 12 periods per year, you would enter 1 into i (or you could enter 12g i).

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**To amortize a loan.** Do the steps for annuity payment as shown above. Then enter 0 n. Then enter # (the number of periods you want to amortize) followed by ln [amort]. For example, to calculate interest and principal paid for the first five periods of a loan, enter 5 amort:

- The amount of interest paid for the interval you amortized is shown on the screen.
- To show the amount of principal paid for the interval, press x<>y.
- To show the remaining balance of the loan, press RCL PV.

If you had 12 months of payments on your house loan after the short first interval of 5 payments above, you'd press 12 amort. The first calculation would amortize 5 months of the loan, and the second calculation would amortize the next 12 months of the loan. Press # amort for each subsequent interval you wish to amortize

**To calculate IRR and NPV.** Enter the cash flows, remembering the sign convention:

- Clear out previous data by pressing fX<>Y and fCLX.
- To enter the first flow, press # gPV [# CF0], remembering Flow (0) is the flow at period zero. If this flow is zero, go to the next step.
- To enter subsequent cash flows, enter # gPMT [# CFj]. If a cash flow is repeated, enter #gFV [#Nj] for the total number of times it is repeated in a row (including the one you just entered.)
- After you have entered all the flows,
  - If you are calculating an NPV, enter your interest rate # i followed by fPV [NPV].
  - If you are calculating an IRR, enter fFV [IRR].