

EFFECT

Updated: 31 Mar 2016

Use the scalar valued function **EFFECT** to calculate the effective annual interest rate using the following formula:

$$EFFECT = \left(\frac{1 + Nominal_rate}{Npery} \right)^{Npery} - 1$$

Syntax

```
Public Shared Function EFFECT(  
    ByVal Nominal_rate As Double,  
    ByVal Npery As Integer,)
```

Arguments

Nominal_rate

the stated rate of interest. *Nominal_rate* is an expression that returns a **Double**, or of a type that can be implicitly converted to **Double**.

Npery

the number of times per year that *Nominal_rate* is paid. *Npery* is an expression that returns a **Integer**, or of a type that can be implicitly converted to **Integer**.

Return Type

Double

Remarks

- *Npery* is truncated to an integer
- If *Nominal_rate* <= 0 or if *Npery* <= 0 then **EFFECT** returns an error

See Also

- CUMIPMT - Cumulative interest paid on an annuity
- CUMLIPMT - Cumulative interest payments of a loan
- CUMLPPMT - Cumulative principal payments of a loan
- CUMPRINC - Cumulative principal paid on an annuity
- IPMT - Interest portion of an annuity payment
- LIPMT - Interest portion of a loan payment
- LPMT - Periodic payment of a loan
- LPMTSCHED - Generate loan amortization with balloon payment and other parameters
- LPPMT - Principal portion of a loan payment
- LRATE - Interest rate for an annuity with an odd first period
- NUMPMTS - Total number of payments over the life of the loan

- PMT - Annuity periodic payment
- PMTSCHED - Payment schedule of a loan
- PPMT - Principal portion of an annuity payment
- TOTALINT - Total interest amount of a loan
- PMT - Payment of an Annuity
- PMTSCHED - Payment Schedule of a loan
- PPMT - Principal Payment
- TOTALINT - Total interest amount of a loan