

**FORMULAS COVER PAGE  
FINAL EXAM  
STFM – CHAPTERS 8-12**

**CHAPTER 8:**

$$RCMP = \frac{SC}{((ecr/365) \times n)} \quad \text{where}$$

SC = service charges for month  
 ecr = earnings credit rate  
 n = number of days in month  
 RCMP = Required Compensating Balances

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**CHAPTER 10:**



***Cost of Float***

Remittances	x	Collection Float	=	Dollar-Day Float
\$ 50,000		2		\$ 100,000
1,200,000		5		6,000,000
500,000		7		3,500,000
1,000		10		10,000
\$1,751,000				\$9,610,000

Average Dollar-Day Float = Dollar-Day Float/Days in month  
 Average Collection Float = Dollar-Day Float/ Remittances  
 Annual Cost of Float = Average Dollar-Day Float x Rate

$$I = P \times r \times t$$


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**CHAPTER 7 & 11:**

$$\text{Annualized cost of cash discount} = \frac{d}{1-d} \times \frac{365}{(CP - DP)}$$