? How can I calculate the modified internal rate of return (MIRR) in Google Sheets?

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The modified internal rate of return (MIRR) is a financial metric used to evaluate the profitability of an investment. It takes into account both the initial investment and the future cash flows, and calculates the rate of return that would make the net present value of the cash flows equal to the initial investment. In Google Sheets, this can be calculated by using the MIRR function, which takes into account the initial investment, the future cash flows, and the discount rate. This allows for a more accurate assessment of an investment's profitability compared to traditional methods, as it considers both the timing and size of the cash flows. With the convenience and reliability of Google Sheets, users can easily calculate the MIRR for their investments.

MIRR

Calculates the modified internal rate of return on an investment based on a series of periodic cash flows and the difference between the interest rate paid on financing versus the return received on reinvested income.

Sample Usage

```
MIRR(A2:A25,B2,B3)
```

```
MIRR({-4000,200,250,300,350},0.08,0.11)
```

Syntax

```
MIRR(cashflow_amounts, financing_rate, reinvestment_return_rate)
```

`cashflow_amounts` - An array or range containing the income or payments associated with the investment.

`cashflow_amounts` must contain at least one negative and one positive cash flow to calculate rate of return.

`financing_rate` - The interest rate paid on funds invested.

`reinvestment_return_rate` - The return (as a percentage) earned on reinvestment of income received from the investment.

Notes

Each cell in `cashflow_amounts` should be positive if it represents income from the perspective of the owner of the investment (e.g. coupons) or negative if it represents payments (e.g. loan repayment).

See Also

`XNPV`: Calculates the net present value of an investment based on a specified series of potentially irregularly spaced cash flows and a discount rate.

`XIRR`: Calculates the internal rate of return of an investment based on a specified series of potentially irregularly spaced cash flows.

`PV`: Calculates the present value of an annuity investment based on constant-amount periodic payments and a constant interest rate.

`NPV`: Calculates the net present value of an investment based on a series of periodic cash flows and a discount rate.

`IRR`: Calculates the internal rate of return on an investment based on a series of periodic cash flows.

Examples