How can I use DISC function in Google Sheets?

Authored by

stats writer

June 29, 2024

The DISC function in Google Sheets is a useful tool that allows users to calculate the discount rate of a security based on its current market price, face value, and maturity date. This function can be used by entering the parameters of the security into the formula, which will then return the discount rate as a percentage value. This can be helpful for financial analysis and decision making. To use the DISC function in Google Sheets, simply select a cell where you want the result to appear, type in "=DISC(" and then fill in the necessary parameters, followed by closing the formula with a parenthesis. This will provide you with the discount rate for your specified security, making it a powerful tool for analyzing investments.

DISC

Calculates the discount rate of a security based on price.

Sample Usage

```
DISC(DATE(2010,01,02),DATE(2039,12,31),90,100)
```

```
DISC(A2,B2,C2,D2,1)
```

Syntax

```
DISC(settlement, maturity, price, redemption, )
```

`settlement` - The settlement date of the security, the date after issuance when the security is delivered to the buyer.

`maturity` - The maturity or end date of the security, when it can be redeemed at face or par value.

`price` - The price at which the security is bought.

`redemption` - The redemption value of the security.

`day_count_convention` - - An indicator of what day count method to use.

0 indicates US (NASD) 30/360 - This assumes 30 day months and 360 day years as per the National Association of Securities Dealers standard, and performs specific adjustments to entered dates which fall at the end of months.

1 indicates Actual/Actual - This calculates based upon the actual number of days between the specified dates, and the actual number of days in the intervening years. Used for US Treasury Bonds and Bills, but also the most relevant for non-financial use.

2 indicates Actual/360 - This calculates based on the actual number of days between the specified dates, but assumes a 360 day year.

3 indicates Actual/365 - This calculates based on the actual number of days between the specified dates, but assumes a 365 day year.

4 indicates European 30/360 - Similar to `0`, this calculates based on a 30 day month and 360 day year, but adjusts end-of-month dates according to European financial conventions.

Notes

`settlement` and `maturity` should be entered using `DATE`, `TO_DATE` or other date parsing functions rather than by entering text.

See Also

`YIELDDISC`: Calculates the annual yield of a discount (non-interest-bearing) security, based on price.

`YIELD`: Calculates the annual yield of a security paying periodic interest, such as a US Treasury Bond, based on price.

`PRICEMAT`: Calculates the price of a security paying interest at maturity, based on expected yield.

`PRICEDISC`: Calculates the price of a discount (non-interest-bearing) security, based on expected yield.

`PRICE`: Calculates the price of a security paying periodic interest, such as a US Treasury Bond, based on expected yield.

Examples