

# Return on Investment = ROI

@wikipedia

One of the efficiency metrics of [Financial Investment](#) defined as ratio of [Cash Return](#) over amount of [Initial Investment](#):

$$ROI = \frac{\text{Cash Return} - \text{Cost of Investment}}{\text{Initial Investment}}$$

where

Cost of Investment	consist of Initial Investment and all types of additional expenses to facilitate Cash Return
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ROI is normally presented in [percentage](#) (120%, 300%, ...).

Alternatively it can be presented as multiplier of [Initial Investment](#):

1X	<a href="#">Cash Return</a> are equal to <a href="#">Initial Investment</a>
2X	<a href="#">Cash Return</a> are twice higher than <a href="#">Initial Investment</a>
3X	<a href="#">Cash Return</a> are three times higher than <a href="#">Initial Investment</a>
...	...

## See also

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[Economics](#) / [Investment](#) / [Financial Investment](#) / [Financial Investment Metrics](#)