

# Discount rate

[@wikipedia](#)

A positive number (usually denoted as  $r$ ) which drives the value of [Cash Discount](#) over [accounting period](#) (usually 1 year) as:

$$(1) \quad \text{Discounted Cash Value} = \frac{\text{True Cash Value}}{1 + r}$$

The value of [discount rate](#) is set by the corporate investment policy and usually at higher rate than [Weighted Average Cost of Capital](#) with typical market inputs.

## See also

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[Economics](#) / [Cash Discount](#)

[ [Weighted Average Cost of Capital \(WACC\)](#) ]