

# Common Financial Math Notations

Like any field, Finance has its own set of notations that are generally used across the board, fairly consistently.

# Importance of Symbols

Knowing these symbols helps you:

- Become familiar with financial notations
- Identify which symbols to use particularly carefully when creating / writing equations
- Gain confidence with financial math

# Common Notations in Finance

Symbol	Pronunciation	What it signifies / means
$B$	$b$	Bond (or fixed income security)
$j$	$j$	A random company / firm called $j$
$i, r, k$	$i, r, k$	Interest, rate of return, cost of capital
$N$	$N$	Number of firms, observations, etc
$S$	$s$	Stock (equity security)
$t, T$	Time $t$	A specific point in time

# Common Notations in Finance

Symbol	Pronunciation	What it signifies / means
$\alpha$	Alpha	Amount by which you beat the market
$\beta$	Beta	A measure of “systematic risk”
$\pi$	Pi	Profit
$\rho$	Rho	Correlation
$\sigma$	Sigma	A measure of “total risk”
$\omega$	Weight / Omega	“Weight” or proportion invested

# Summary

Knowing and gaining familiarity with financial notations / symbols helps you gain confidence with financial math

Notations in Finance are fairly consistent across the board, but (unnecessary) exceptions and differences do arise.

**Now have a go  
at the quiz!**

