BUS-123	Spring 2015
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## Bond Prices and Yields Worksheet #1

Name:	
Chan 10 Worksheet	

Instr: I	F. Paiano	Worksheet #1		Chap 10 V	Vorksheet	
1)	A bond that pays 9% is curren interest rate?	tly priced at \$1,200.	What is the nominal int	erest rate?	What is the curre	ent
2)	A 9%, 20-year bond has a partis currently selling for \$1,110.		<u> </u>			
3)	A married couple from Califo They are considering a 5% Ari free) or a 7% corporate bond (	zona municipal bond	(Federal tax-free), a 4½	% Californ	ia bond (double ta	

- 4) Using annual compounding, find the prices for the following bonds:
  - a) 9%, 10-year bond priced to yield 7%
  - b) 5%, 20-year bond priced to yield 8%