bonds_notes.gwb - 3/8 - Sat Dec 03 2016 12:55:20



Bonds are issued by larger corporations and governments to raise money. Whenever you invest in bonds, you are loaning money to the corporation or government. When the bond matures, you receive the face value.

Annual Interest = Interest Rate x Face Value

Bond Cost = Percent x Face Value

$$Annual_Yield = \frac{Annual_Interest}{Bond_Cost}$$

Tanya McGreggor purchased a \$28,000 bond at $84\frac{3}{4}$. It pays 5.78 percent annual interest. What is the cost of the bond? Express your answer as a dollar amount to the nearest cent.

Some formulas associated with bonds are as

follows:

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ExamView

Bonds are issued by larger corporations and governments to raise money. Whenever you invest in bonds, you are loaning money to the corporation or government. When the bond matures, you receive the face value.

Annual Interest = Interest Rate x Face Value

Bond Cost = Percent x Face Value

$$Annual_Yield = \frac{Annual_Interest}{Bond_Cost}$$

Irene McGreggor purchased a \$43,500 bond at $85\frac{1}{8}$. It pays 4.76 percent annual interest. What is the annual interest earned? Express your answer as a dollar amount to the nearest cent.

1

Annual Interest = Interest Rate x Face Value

Bond Cost = Percent x Face Value

$$Annual_Yield = \frac{Annual_Interest}{Bond_Cost}$$

Jose Gillespie purchased a \$13,000 bond at $89\frac{7}{8}$. It pays 4.39 percent annual interest. What is the annual yield? Express your answer to the nearest hundredth of a percent.

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Bonds are issued by larger corporations and governments to raise money. Whenever you invest in bonds, you are loaning money to the corporation or government. When the bond matures, you receive the face value.

Annual Interest = Interest Rate x Face Value

Bond Cost = Percent x Face Value

$$Annual_Yield = \frac{Annual_Interest}{Bond_Cost}$$

Jose Gillespie purchased a \$16,500 bond at $87\frac{5}{8}$. It pays 6 percent annual interest. What is the annual interest earned? Express your answer as a dollar amount to the nearest cent.

ExamView

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Annual Interest = Interest Rate x Face Value

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Bond Cost = Percent x Face Value

$$Annual_Yield = \frac{Annual_Interest}{Bond_Cost}$$

Emma Rodriguez purchased a \$31,000 bond at $87\frac{3}{8}$. It pays 4.14 percent annual interest. What is the cost of the bond? Express your answer as a dollar amount to the nearest cent.

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ExamView

Bonds are issued by larger corporations and governments to raise money. Whenever you myest in bonds, you are loaning money to the corporation or government. When the bond matures, you receive the face value.

Annual Interest = Interest Rate x Face Value

Bond Cost = Percent x Face Value

$$Annual_Yield = \frac{Annual_Interest}{Bond_Cost}$$

Irene Benefield purchased a \$5,500 bond at $96\frac{1}{2}$. It pays 2.41 percent annual interest. What is the annual yield? Express your answer to the nearest hundredth of a percent.