**CHAPTER 11 - SECONDARY BOND MARKETS**

**HOMEWORK**

1. On Monday, May 15, you bought (traded) the XZX Inc. 8.25% corporate bonds for 96.50. The coupon payments are paid on March 31 and September 30. Using the 360-day accrual basis calculate the market price and invoice price of the bonds – Please use T+3 to calculate the settlement day.
2. On Thursday, July 22, you bought (traded) the FG Inc. 6.75% corporate bonds for 101.25. The coupon payments are paid on May 31 and November 30. Using the 360-day accrual basis calculate the market price and invoice price of the bonds – Please use T+3 to calculate the settlement day.
3. On Monday, February 20, you bought (traded) the 7.5% Saturn Tech Company’s corporate bonds for 98.75. The maturity date is June 30, 2030, the redemption price is 100 and the coupons are paid twice a year. Calculate the Yield-to-Maturity.
4. Calculate the Price, Duration and Convexity given the following information:

Face Value = $1,000

Coupon Rate = 7.75%

Yield = 8.25%

Remaining Years = 4

Redemption= 100

Frequency= 2