

### Coupon Bond Example

YTM = 10.00%

#### Ten Year Bond

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>10</u>
Coupon	100	100	100	100	100	100	100	100	100	100	1000
Discount	1.10	1.21	1.33	1.46	1.61	1.77	1.95	2.14	2.36	2.59	2.59
R 6 / R 7	90.91	82.64	75.13	68.30	62.09	56.45	51.32	46.65	42.41	38.55	385.54
Price	\$1,000	PV Coupon payments =				614.46	PV principal =			385.54	

#### Nine Year Bond

YTM = 10.00%

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>9</u>
Coupon	100	100	100	100	100	100	100	100	100	1000
Discount	1.10	1.21	1.33	1.46	1.61	1.77	1.95	2.14	2.36	2.36
R 13/ R14	90.91	82.64	75.13	68.30	62.09	56.45	51.32	46.65	42.41	424.10
Price	\$1,000									

#### Five Year Bond

YTM = 10.00%

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>5</u>
Coupon	100	100	100	100	100	1000
Discount	1.10	1.21	1.33	1.46	1.61	1.61
	90.91	82.64	75.13	68.30	62.09	620.92
Price	\$1,000					

#### Four Year Bond

YTM = 10.00%

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>4</u>
Coupon	100	100	100	100	1000
Discount	1.10	1.21	1.33	1.46	1.46
	90.91	82.64	75.13	68.30	683.01
Price	\$1,000				