

19. Accrued interest is the coupon payment for the period times the fraction of the period that has passed since the last coupon payment. Since we have a semiannual coupon bond, the coupon payment per six months is one-half of the annual coupon payment. There are four months until the next coupon payment, so two months have passed since the last coupon payment. The accrued interest for the bond is:

$$\text{Accrued interest} = \$72/2 \times 2/6 = \$12.00$$

And we calculate the dirty price as:

$$\text{Dirty price} = \text{Clean price} + \text{Accrued interest} = \$904 + 12 = \$916.00$$