

3200/02888 米博宇

1.  $S = (1 + r_{\text{domestic}}) / (1 + r_{\text{foreign}}) \times r_{\text{Forward}}$

$$r_{\text{Forward}} = 1.40 \times 1.05 / 1.06 \approx 1.387$$

2.  $100,000 / 0.99241 = 100,765$

3.  $PMT/r = 500/10\% = 50$

4.  $P = P_1/(r-g) = P_0(1+g)/(r-g) = 2(1+0.05)/(0.10-0.05) = 42$

5.  $P_4 = \frac{P_5}{r-g} = \frac{5}{0.10-0.05} = 100$

$$P_4 = P_0(1+r)^4 = P_0 \times 1.1^4$$

$$P_0 = 68.30$$

6.  $\frac{8}{32} = \frac{1}{4} = 0.25$

$$98.08 \rightarrow 98.25$$

$$98.25/100 \times 1000 = 982.5$$

7.  $NAV = \frac{\$32 \text{ million} - \$2 \text{ million}}{\$1 \text{ million}} = \$30/\text{share}$

NAV is calculated per the fund's prospectus.

8. 1) major characteristics.

1. It can provide a balanced and safe profit.
2. It's strategy is to invest in a combination of fixed income and equities.
3. It has a restricted weight for each asset class.

2) Difference:

Asset Allocation Funds don't have restriction on the ratio of each asset class.  
The manager has more freedom.



9. 1.  $3200/10288$  米博宇  
12%

$$2. \frac{12\% \times 1000}{120/100 \times 1000} = 10\%$$

3. It's Premium bond, ~~the~~ yield to maturity is less than the current yield.

10. 1) Put

$$2) \text{ Value at Expiration: } \$66 - \$60 = \$6$$

$$3) \text{ Profit: } \$6 - \$5 = \$1.$$

4) I will, profit is positive.

11. 1) Call

$$2) \text{ Value at Expiration: } \$82 - \$80 = \$2$$

$$3) \text{ ~~Profit~~ Loss = } \$3 - \$2 = \$1.$$

4) I won't. ~~the~~ Loss is positive.

