

7.05 Fixed-Income Markets for Government Issuers

Question 1

One source of funds for making interest and principal payments on nonsovereign bonds is *most likely*:

- A. a special tax or fee established for that purpose.
- B. the operating cash flows of a private corporation.
- C. income from the loan portfolios of the supranational entity.

Question 2

Bonds issued by the World Bank are *best* described as:

- A. sovereign bonds.
- B. supranational bonds.
- C. quasi-government bonds.

Question 3

Linkers are sovereign government debt securities on which coupon and/or principal payments may be adjusted. Such adjustments are *most likely* linked to:

- A. inflation.
- B. GDP growth rates.
- C. interbank interest rates.