Theorem 1

If the Market Price of the bond increases, the yield would Decline and vice Versa.

Theorem 2

If the bond YTM remains same over its Life the dis or Premium Depends on the Maturity Period, this means the bond with shorter term to mature sells at lower dis than the bond with longer time to mature.

Theorem 3:

The increase in the price of a bond when the interest rate goes down by a certain percentage is greater than the decrease in its price when the interest rate goes up by the same percentage.

In other words, given the same level of say 1 % change in interest rate, the price appreciation on account of interest rate going down by 1 % is greater than the price depreciation on account of interest rate going down by 1%..

Theorem 4:

Between two bonds of same maturity but different coupons, the bond with the lower coupon will experience more price sensitivity than the one with higher coupon.

Theorem 5:

Between two bonds of same coupon and same maturity but differing coupon payment intervals, the bond with higher frequency of coupon payment is less sensitive to price changes when market interest rate changes.