# **Berk\_Demarzo\_Harford. Problem 6-12 (Excel). V1**

## **Project Description:**

In this problem, you will calculate: a) the yield to maturity of a certain bond; and b) the yield to maturity and the price of the bond if the yield to maturity changes.

## **Steps to Perform:**

| **Step** | **Instructions** | **Points Possible** |
| --- | --- | --- |
| 1 | **Complete the steps below using cell references to given data or previous calculations. In some cases, a simple cell reference is all you need. To copy/paste a formula across a row or down a column, an absolute cell reference or a mixed cell reference may be preferred. If a specific Excel function is to be used, the directions will specify the use of that function. Do not type in numerical data into a cell or function. Instead, make a reference to the cell in which the data is found. Make your computations only in the blue cells highlighted below. In all cases, unless otherwise directed, use the earliest appearance of the data in your formulas, usually the Given Data section.**  Start Excel. Download and open the workbook named: **Berk\_DeMarzo\_Harford\_Problem\_6-12\_Start.**  In cell **D15**, by using cell references, calculate the coupon payment of the bond. | 1 |
| 2 | In cell **D16**, by using cell references, calculate the number of periods until maturity. | 1 |
| 3 | In cell **D17**, by using the **RATE** function and cell references, calculate the yield to maturity of the bond.  **Note**: Omit the [type] and [guess] arguments in the RATE function. | 1 |
| 4 | In cell **D23**, by using cell references, calculate the semiannual yield to maturity of the bond. | 1 |
| 5 | In cell **D24**, by using cell references, calculate the new price of the bond. | 1 |
| 6 | Save the workbook. Close the workbook and then exit Excel. Submit the workbook as directed. | 0 |

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| --- | --- |
| **Total Points** | **5** |