Project One Due May 19th

PART ONE

Build calculator to give YTM, price, duration and DV01.

Inputs: (20 points)

User inputs:

Treasury Yield Curve

Credit Spreads

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User inputs – to calculate YTM and price:

Coupon rate

Coupon period (annual or semi-annual)

Maturity Date

Bond (firm) rating

Face Value

Bond Output: (40 points)

Display:

YTM

Price

Price change for an X bp change in YTM.

Duration

Modified Duration

DV01

PART TWO:

Build a calculator to find the CAGR of a fixed income investment.

The user inputs: (10 points)

Purchase price

Years to maturity (integer – max=10)

Coupon rate

Return on coupons

Holding period

YTM at time of exit

User receives: (20 points)

Price of bond at exit

CAGR

Overall presentation of project is worth 10 points