75%% TREASURY BOND OF 2002-2007

CUSIO SITORIO SY E

Redominate on call on and after February 15, 2802 CHICSLAS Se. 4-72



7461A

THE ENHED STATES OF AMERICA

FOR VALUE RECEIVED PROMISES TO PAY TO THE BEARER THE SUM OF

ONE THOUSAND DOLLARS

ON THE DUE DATE, AND TO PAY INTEREST ON THE PRINCIPAL SUM FROM THE DATE HEREOF, AT THE RATE SPECIFIED HEREON, THIS BOND AND INTEREST COUPONS ARE PAYABLE AT THE DEPARTMENT OF THE TREABURY, WASHINGTON, D.C., OR AT ANY FEDERAL RESERVE BANK OR BRANCH, THIS BOND IS ONE OF A SERIES OF BONDS, AUTHORIZED BY THE SECOND LIBERTY BOND ACT, AS AMENDED, ISSUED PURBUANT TO THE DEPARTMENT OF THE TREASURY CIRCULAR REFERRED TO HERSON, ALL OR ANY OF THE BONDS OF THIS SERIES MAY BE REDEEMED, AT THE OPTION OF THE UNITED STATES OF AND AFTER PERRUARY 15, 2002, AT PAR AND ACCRUED INTEREST, ON ANY INTEREST DAY OR DATE THROUGH HON THE NOTICE OF REDEMPTION GIVEN IN SUCH MANNER AS THE SECRETARY OF THE TREASURY SWEET PRE-SCRIBE, IN CASE OF PARTIAL REDEMPTION THE BONDS TO BE REDEEMED WILL BE DESERT METHOD AS MAY BE PRESCRIBED BY THE SECRETARY OF THE TREASURY, FROM THE DATE OF ACCOUNTS. DESIGNATED IN ANY SUCH NOTICE, INTEREST ON THE SONDS CALLED FOR REDEMPERS PRODUCT OF ASE. THE INCOME DERIVED FROM THIS BOND IS SUBJECT TO ALL TAXES IMPOSED UNDER THE INTERNAL REVENUE CODE OF 1984. THIS BOND IS SUBJECT TO ESTATE, INHERITANCE, GIFT OR OTHER ESCIES TAXES, WHETHER FEDERAL OR STATE, BUT IS EXEMPT FROM ALL TAXATION NOW OR HEREAFTER IMPOSED ON THE PRINCIPAL OR INTEREST HEREOF BY ANY STATE, OR ANY OF THE POSSESSIONS OF THE UNITED STATES, OR BY ANY LOCAL TAXING AUTHORITY. THIS BOND IS ACCEPTABLE TO SECURE DEPOSITS OF PUBLIC MONEYS, IT IS NOT ACCEPTABLE IN PAYMENT OF TAXES.

WASHINGTON, D. C., FEBRUARY 15, 1977.

Willeam or Englishers

SECONFICION ACTION OF THE SECONFICION OF THE SECONF

THE RESERVE OF THE PERSON NAMED IN COLUMN 2 IN COLUMN

What is the bond Price (P_b) that will earn you a 2% interest rate?

Amount you get at maturity - Price of the bond Interest Rate = -Price of the bond

$$=\frac{1,000 - P_b}{P_b} \times 100$$

If you pay \$980.4 for this bond, you will earn 2% interest

Solve for P_b:

$$0.02 = \frac{1,000 - P_b}{D}$$

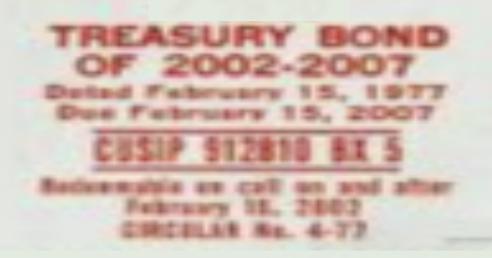
$$0.02_{x}P_{b} = 1,000 - P_{b}$$

$$0.02_x P_b + P_b = 1,000$$

$$(0.02 + 1)P_b = 1,000$$

 $1.02P_b = 1,000$

1,000 1.02





7461A

What is the bond Price (P_b) that will earn you a 2% interest rate?

Interest Rate = Amount you get at maturity - Price of the bond Price of the bond

$$2\% = \frac{1,000 - P_b}{P_b} \times 100 \qquad \text{Solve for } P_b:$$

$$0.02 = \frac{1,000 - P_b}{P_b} \qquad 0.02 \times P_b + P_b = 1,000 \qquad P_b = \frac{1,000}{1.02}$$

$$0.02 \times P_b = 1,000 - P_b \qquad 0.02 \times P_b = 1,000$$

$$0.02 \times P_b = 1,000 - P_b \qquad 1.02 \times P_b = 1,000$$

If you pay \$980.4 for this bond, you will earn 2% interest

OF 2002-2007
Deted February 15, 1977
Pue February 15, 2007

CHSIP 917810 8X 5

Redominated on call on and after February 15, 2802 CHCSLAS No. 4-72



7461A

THE ENHED STATES OF AMERICA

FOR VALUE RECEIVED PROMISES TO PAY TO THE BEARER THE SUM OF

ONE THOUSAND DOLLARS

ON THE DUE DATE, AND TO PAY INTEREST ON THE PRINCIPAL SUM FROM THE DATE HEREOF, AT THE RATE SPECIFIED HEREON, THIS BOND AND INTEREST COUPONS ARE PAYABLE AT THE DEPARTMENT OF THE TREABURY, WASHINGTON, D.C., OR AT ANY PEDERAL RESERVE BANK OR BRANCH, THIS BOND IS ONE OF A SERIES OF BONDS, AUTHORIZED BY THE SECOND LIBERTY BOND ACT, AS AMENDED, ISSUED PURBUANT TO THE DEPARTMENT OF THE TREASURY CIRCULAR REFERRED TO HERSON, ALL OR ANY OF THE BONDS OF THIS SERIES MAY BE REDEEMED, AT THE OPTION OF THE UNITED STATES, OF AND AFTER PERRUARY 15, 2002, AT PAR AND ACCRUED INTEREST, ON ANY INTEREST DAY OR DATE: THE CONTRACT MENTHS' NOTICE OF REDEMPTION GIVEN IN SUCH MANNER AS THE SECRETARY OF THE TREASURE PRACTICAL SECRETARY OF THE METHOD AS MAY BE PRESCRIBED BY THE SECRETARY OF THE TREASURY, FROM THE DATE OF SECRETION DESIGNATED IN ANY SUCH NOTICE, INTEREST ON THE SONDS CALLED FOR REDEMPERS WILLIAM DEADS. THE INCOME DERIVED FROM THIS BOND IS SUBJECT TO ALL TAXES IMPOSED UNDER THE INTERNAL REVENUE CODE OF 1984. THIS BOND IS SUBJECT TO ESTATE, INHERITANCE, GIFT OR OTHER ESCIES TAXES, WHETHER FEDERAL OR STATE, BUT IS EXEMPT FROM ALL TAXATION NOW OR HEREAFTER IMPOSED ON THE PRINCIPAL OR INTEREST HEREOF BY ANY STATE, OR ANY OF THE POSSESSIONS OF THE UNITED STATES, OR BY ANY LOCAL TAXING AUTHORITY, THIS SOND IS ACCEPTABLE TO SECURE DEPOSITS OF PUBLIC MONEYS, IT IS NOT ACCEPTABLE IN PAYMENT OF TAXES.

WASHINGTON, D. C., FEBRUARY 15, 1977.

SUCHETARY OF ENTREASURY

DOD

SECONFICIONS AND DE PARTIES SE