Quiz 06 for Sept 14

Started: Sep 14 at 2:13am

Quiz Instructions

Complete this quiz by 11:00 a.m. on Wednesday September 14.

Question 1	1 pts

A zero-coupon bond's annually compounded yield is 6.00 percent. Its continuously-compounded yield is

State your answer as a percentage rate to 3 decimal places, e.g., 6.134.

> 5.827

Question 2	1 pts

An annuity, such as a mortgage, makes payments of $1,000 each month for the next 20 years. If the annuity's current monthly-compounded yield is 6.00%, what is the current value of this annuity?

State your answer to the nearest $1, e.g., 580321.

> 139,581

Question 3	1 pts

A Treasury bill has a face value of $100 and matures in 180 days. If its market price is $97.00, what is its bank discount yield, d_y ?

State your answer as a percentage rate to 2 decimal places, e.g., 4.95.

6

Question 4   1 pts

See the table on slide 11 of Note 12 Introduction to Treasury Securities. Based on the dealer's quoted prices in the table, if you sold the bond maturing on February 15, 2040 to the dealer, what would be the invoice price that you would receive?

State your answer to the fourth decimal place, e.g., 105.4372 . You can find the days between dates at the website **https://www.timeanddate.com/date/duration.html** ↗ **(https://www.timeanddate.com/date/duration.html)** .

114.6219

Question 5   1 pts

Ask one or more questions or make one or more comments on the material for this class.

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Is the "monthly compounded yield" means the annual rate?

Thank you.

p

11 words

Quiz saved at 2:17am   Submit Quiz