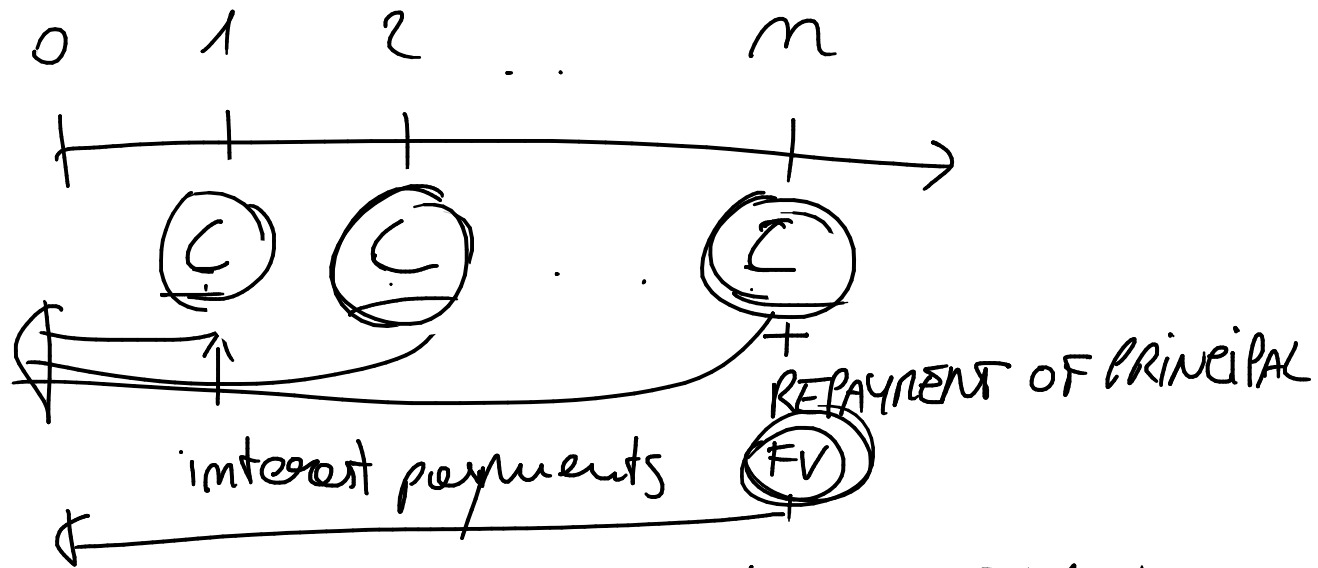


BOND :

$PV(i; j)$



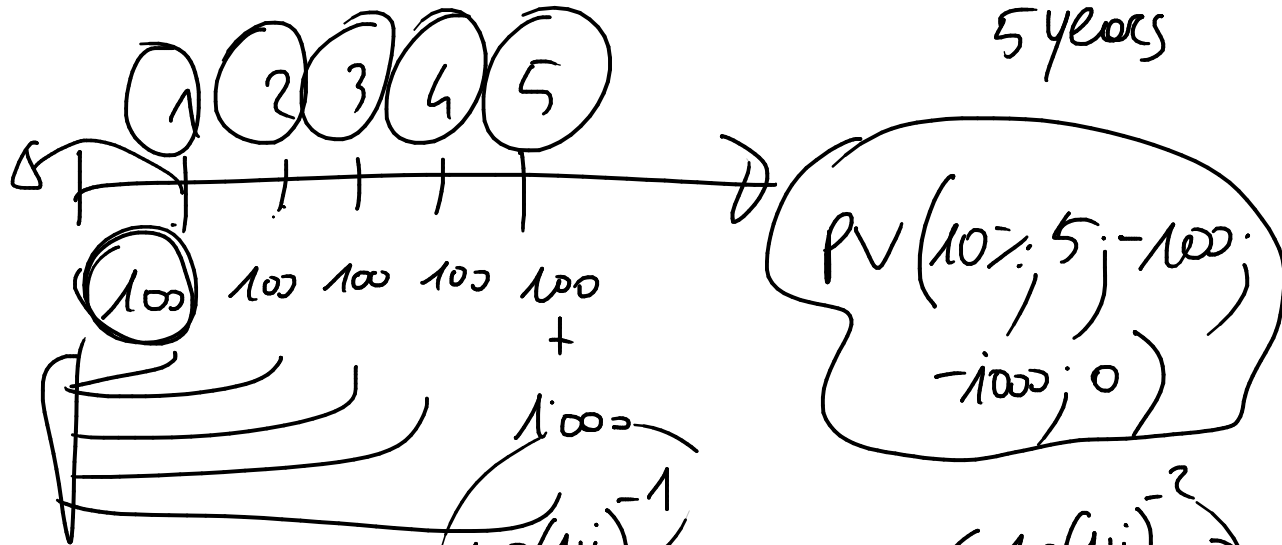
COUPON RATE \times FACE VALUE = coupon

$$\text{PRICE} = [C] \cdot a_{\overline{m}|i} + \frac{FV}{(1+i)^m}$$

\uparrow interest payment

COUPON BOND 1000 NPV (10%; series of payments)
 1000 10% = 10%

COUPON Rate 10% ANNUAL
 5 years



$$\text{DURATION} = 1 \cdot \left(\frac{100(1+i)^{-1}}{\text{Bond Price}} \right) + 2 \cdot \left(\frac{100(1+i)^{-2}}{\text{Bond Price}} \right) + \dots + 5 \cdot \left(\frac{1100(1+i)^{-5}}{\text{Bond Price}} \right)$$

DURATION $\left(\frac{\text{settlement rate}}{\text{purchase}} ; \frac{\text{maturity rate}}{\text{rate}} \right)$
DATE (y; m; d)

coupon ; yield ; frequency ;
N° of payments
per year

DAY COUNT BASIS \rightarrow OPTIONAL