	A	B	C	D	E	F	G	H	I	J
1	ANF Management Co. Ltd.									
2										
3	**A N F Management Co. Ltd**		Senario: An 8 year Bond with a face value of $1,000.00, paying $45.00 in							
4	3/3 B, Purana Paltan		coupon payments per year had a discount rate per year (yield) of 4.26%.							
5	Suleman Plaza (5th Floor)		Consider a bond that paid a $45.00 coupon payment once per year.							
6	Dhaka - 1000		What is price of this annual payment bond?							
7	Bangladesh									
8	Phone: 7173-816		Solution Strategy. We will calculate the bond price in three equivalent							
9	Mobile: 0191-2113343		ways. First, we will calculate the bond price as the present value of the							
10	USA : 1-(917) 846-5629		bond's cash flows. Second, we use a formula for the bond price. Third,							
11	http://www.ANFManagement.com									
12	e-mail: info@ANFManagement.com									
13										
14	**BOND PRICING**	**Annual Payments**								
15										
16										
17	**Inputs**									
18	Number of Periods to Maturity (T)	8								
19	Face Value (PAR)	$1,000.00								
20	Discount Rate / Period (r)	4.26%								
21	Coupon Payment (PMT)	$45.00								
22										
23	**Bond Price using a Timeline**									
24	Period	0	1	2	3	4	5	6	7	8
25	Cash Flows		$45.00	$45.00	$45.00	$45.00	$45.00	$45.00	$45.00	$1,045.00
26	Present Value of Cash Flow		$43.16	$41.40	$39.71	$38.08	$36.53	$35.04	$33.60	$748.47
27	Bond Price	$1,015.99								
28										
29	**Bond Price using the Formula**									
30	Bond Price (P)	$1,015.99								
31										
32	**Bond Price using the PV Function**									
33	Bond Price	$1,015.99								
34										
35										
36										
37										