1) You purchase a bond with an invoice price of $1,460. The bond has a coupon rate of 7.5 percent, and there are 3 months to the next semiannual coupon date. What is the dirty price of this bond? Clean Price?

2) An investment offers a 10.5 percent total return over the coming year. Sam thinks the total real return on this investment will be only 6.2 percent. What does Sam believe the inflation rate will be for the next year?

3) Dexter Mills issued 20-year bonds a year ago at a coupon rate of 10.2 percent. The bonds make semiannual payments. The yield-to-maturity on these bonds is 9.2 percent. What is the current bond price?

4) Sylvan Trees has a 7 percent coupon bond on the market with ten years left to maturity. The bond makes annual payments and currently sells for $842.10. What is the yield-to-maturity?

5) Trish receives $450 on the first of each month. Josh receives $450 on the last day of each month. Both Trish and Josh will receive payments for next four years. At a 9.5 percent discount rate, what is the difference in the present value of these two sets of payments?

6) Alexa plans on saving $3,000 a year and expects to earn an annual rate of 10.25 percent. How much will she have in her account at the end of 45 years?

7) You borrow $165,000 to buy a house. The mortgage rate is 4.5 percent and the loan period is 30 years. Payments are made monthly. If you pay the mortgage according to the loan agreement, how much total interest will you pay?

8) You estimate that you will owe $45,300 in student loans by the time you graduate. The interest rate is 4.25 percent. If you want to have this debt paid in full within ten years, how much must you pay each month?

9) Your car dealer is willing to lease you a new car for $245 a month for 48 months. Payments are due on the first day of each month starting with the day you sign the lease contract. If your cost of money is 6.5 percent, what is the current value of the lease?

10) Stephanie is going to contribute $300 on the first of each month, starting today, to her retirement account. Her employer will provide a 50 percent match. In other words, her employer will contribute 50 percent of the amount Stephanie saves. If both Stephanie and her employer continue to do this and she can earn a monthly rate of 0.90 percent, how much will she have in her retirement account 35 years from now?