

Standard Deviants School The Wild and Wacky World of Finance

Tape Six: *Bonds*

Length: 26 minutes, © 2002 Cerebellum Corporation

Audience: 7-12 grades

Bonds introduces the basic terminology and concepts associated with bonds and stock valuation.

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- I. Stock and Bond Valuation
 - A. Definition of stocks
 - B. Definition of bonds
 - 1. Present value of a bond
 - 2. Par value (face value)
 - 3. Coupon payment
 - 4. Coupon interest rate
 - 5. Indenture
 - 6. Maturity date

- II. Discount and Premium Bond
 - A. Discount bonds
 - 1. Calculating the discount
 - B. Premium bonds
 - 1. Calculating the premium
 - C. Yield
 - 1. Current yield
 - 2. Yield to maturity (YTM)
 - 3. Yield to call

- III. Stock Valuation
 - A. Preferred stock
 - B. Common stock