Student Activity Workbook

LIFE SKILLS:

Investing and Retirement

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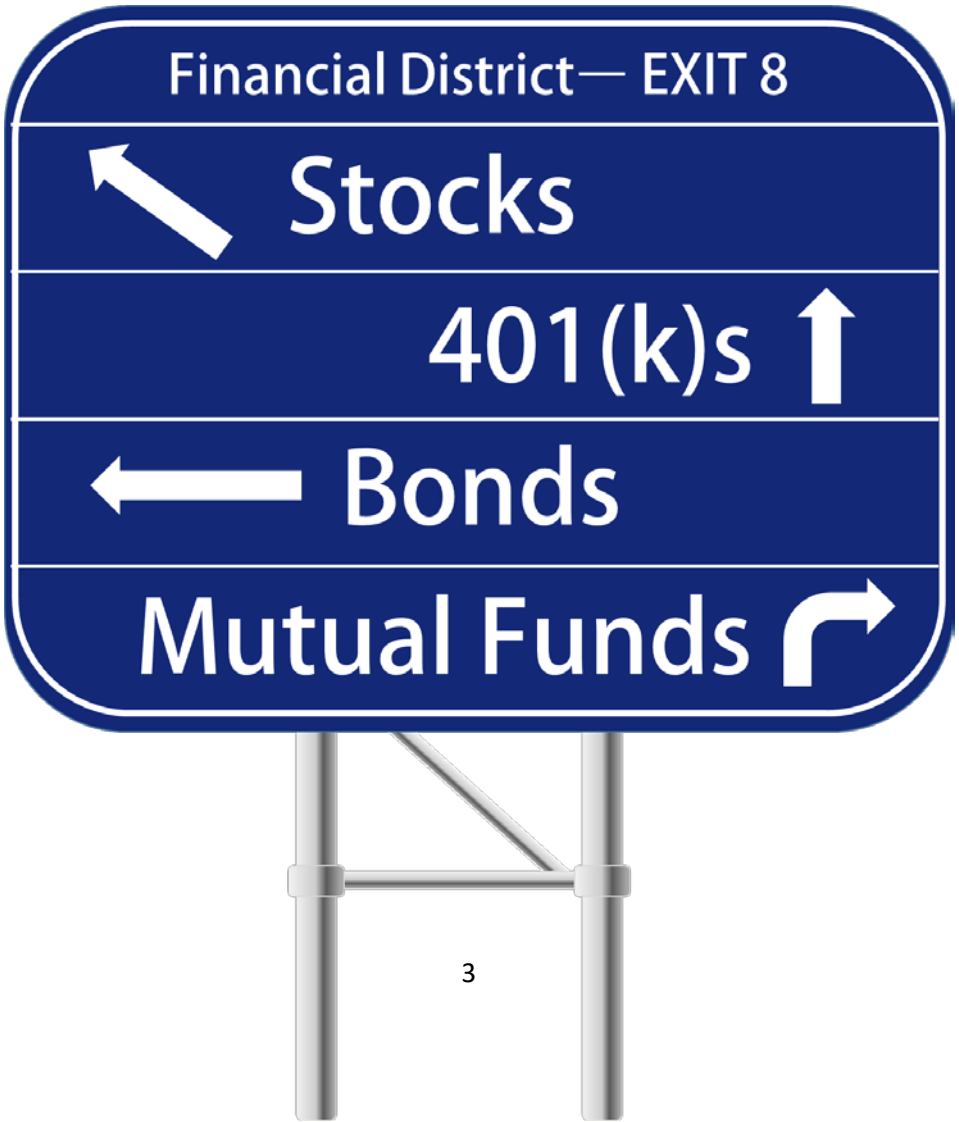
Table of Contents



Accessing the Lessons

This workbook has been designed to go hand in hand with the **Life Skills: Managing Your Time** course material which is available online. To access that material, go to:

Lesson Website:

http://www.mobibrix.com/MVJ1XT

OR

Scan the QR Code:

MVJ1XT

Making Sense of Investing

Watch the presentation **Making Sense of Investing**

There are many different reasons why people invest. What are you hoping your investments will do for you?

Why Invest

Consider the following questions. Write your answers below:

1. What is your purpose for investing? _____
2. What is important to you as you consider retirement? _____

   _____
3. Are you interested in having investment accounts, retirement accounts, or both? _____

   _____
4. Is there a certain amount of wealth you would like to attain? If so, what is it? _____

   _____
5. At what age do you wish to retire? _____

Risk and Return

What are the two things to consider when investing? _____ and _____.

As an investor, your desire will be to _____ while _____.

- Risk is defined in terms of _____.
  - _____ is knowing what is going to happen _____ it happens.
  - _____ is the absence of _____ of the actual outcome of an event _____ to it happening.
  - With no _____... there is no _____.
- Return is defined as _____ _____.
  - A _____ provides information about the investment's past few years performance, including gains and losses.

The Rule of Thumb

Where there is _____ there is the possibility of _____.

- The _____ the risk, the _____ the return.
- The _____ the risk, the _____ the return.

We know that a team may be favored to win. But, that doesn't mean that team will win. There exists a certain level of uncertainty until the game is over, regardless of how much expectation there is for the team to win. The same is true with investments. You take a risk on each investment based on your understanding of the investments past performance and the investment's future performance.

But the return on that investment is not guaranteed until after that future performance.

If you play the game well, your return will be secure; if you don't play it well, your investment can be lost.

Interest

Interest is _____

- When you borrow money, you _____ the interest.
- When you lend money, you _____ the interest.

Two types of Interest:

- _____
- _____

Simple Interest

Simple Interest is cost based on the _____ only.

Simple Interest Equation:

[ ] x [ ] x [ ] = [ ]

Simple Interest Payback Equation:

[ ] + [ ] = [ ]

A Note on Time: 1 month is _____÷ 12 = _____

2 months is _____÷ 12 = _____

6 months is _____÷ 12 = _____

Example:

If you borrow $100 from the bank with a simple interest rate of 5%, then the cost of the loan is:

_____ x _____ x _____ = _____

The payback amount is:

_____ + _____ = _____

You Try:

If you borrow $300 from the jeweler for 2 years, with a simple interest rate of 4%, then the cost of the loan is:

_____ x _____ x _____ = _____

The payback amount is:

_____ + _____ = _____

Practice 1:

1. You buy a stereo for $250 with a loan at 8% and it takes you 5 years to pay it off. How much will the loan cost you? What will the payback amount be?

_____ x _____ x _____ = _____

_____ + _____ = _____

2. You buy a flat screen tv to watch the big game. You borrow $1,384 at 15% interest and it takes you 4 years to pay it back. How much will the loan cost you? What will the payback amount be?

_____ x _____ x _____ = _____

_____ + _____ = _____

3. You pay for new tires on your car, but you can't afford to pay the full amount owed this week. The tire shop says that you can pay them back next month (1/12th of a year) if you pay back the amount you borrow at 7.5%. The balance you owe is $539. How much will the loan cost you? What will the payback amount be?

_____ x _____ x _____ = _____

_____ + _____ = _____

Impact of Simple Interest

If $100 is deposited into an account that pays 5% of simple interest per year, then the amount of money in the account will _____ in _____ years.

Compound Interest

Compound Interest is Interest calculated on the initial _____ then recalculated each _____ to account for the new interest which has been added to the original principle amount.

- This works _____ you on Credit Cards.
- This works _____ you in Savings Accounts, Investments, and Retirement Accounts.

There are two ways to calculate Compound Interest.

- Use the _____ Interest Equation: $A = P\left(1 + \frac{r}{n}\right)^{nt}$
- Use the _____ Interest Equation, but refigure the math for each time period.

Using the Simple Interest Equation to calculate Compound Interest:

Step 1:		=		x	
Step 2:		=	(x)	+	
Step 3:					

Example:

If you put $1000 in the bank with a compound interest rate of 3%, Four years later you look to see how much is in the account:

Time	Principle	Interest	Balance
Year 1			
Year 2			
Year 3			
Year 4			

Practice 2:

1. If you invested $100 into a compound interest-bearing account, and leave that amount in the account for ten years, what amount would you have if your bank paid 6% interest per year?

Time	Principle	Interest	Balance
Year 1			
Year 2			
Year 3			
Year 4			
Year 5			
Year 6			
Year 7			
Year 8			
Year 9			
Year 10			

2. You put $5,000 bank with a compound interest rate of 5%. Five years later you look to see how much is in the account:

Time	Principle	Interest	Balance
Year 1			
Year 2			
Year 3			
Year 4			
Year 5			

3. You take out a loan to buy a car for $25,335. The Dealership gives you a 2% compounding interest rate with the full amount of the loan due in 3 years. What will be the payback amount at the end of the loan period?

Time	Principle	Interest	Balance
Year 1			
Year 2			
Year 3			

Impact of Compound Interest

If $100 is deposited into an account that pays 5% of compound interest per year, then the amount of money in the account will _____ in _____ years.

The _____ the money is kept in the account, the _____ the money grows.

Rule of 72

Divide the number _____ by the _____ rate to know how many years it will take to _____ the capital.

2%	72 / 2 =	36	Years
3%	/		Years
4%	/		Years
5%	/		Years
6%	/		Years
7%	/		Years
8%	/		Years
9%	/		Years
10%	/		Years
11%	/		Years
12%	/		Years
13%	/		Years
14%	/		Years
15%	/		Years
16%	/		Years
17%	/		Years
18%	/		Years
19%	/		Years
20%	/		Years

The amount of money required for the Rule of 72 to work doesn't matter. This rule is about the impact compound interest can have on the money you save and or invest.

The Language of Stocks

Watch the presentation **The Language of Stocks**

Definitions

When talking about and discussing stocks it is important to understand the language of investing. Match the stock terms with their definitions:

Stock Term	Matching Letter
The Time Value of Money	
Common Stocks	
Preferred Stocks	
IPO	
Primary Market	
Secondary Market	
Institutions (Financial)	
Profitability	
Liquidity	
Shareholder	

	Definitions
A.	Deals with issuing of new securities such as stock.
B.	Stocks that are senior to common stocks and have priority in payment of dividends.
C.	The amount of money a company has left after it has paid its expenses, interest, and taxes.
D.	The amount of cash, and cash equivalents, a company has on hand.
E.	The idea that money available today is worth more than the same amount of money in the future.
F.	Place where previously purchased financial instruments can be bought and sold.
G.	An individual or institution who legally owns one or more shares in a corporation.
H.	A form of ownership in a corporation that entitles the owner to a share of the company and voting rights.
I.	Stocks of a company that are sold for the first time.
J	Provide services as intermediaries of financial markets.

Stock Valuation

The method of determining the _____ of a company and its _____.

- Helps us to understand if _____ a stock at a particular price is a _____ idea.

The Formula:

$$\textbf{Price} = \text{Future Price} \times \frac{1}{(1+r)^n} + \text{Dividend Stream} \times \left(\frac{1 - \frac{1}{(1+r)^n}}{r} \right)$$

Price = Your suggested _____ _____

Future Price = How much you plan to _____ it for in the future

Dividend Stream = Expected _____ Payout

r = Desired rate of _____

n = Number of _____ before you sell

Example:

- Stock: New Foundation Inc.
- Future Price: $40.00
- Rate of Growth: 12%
- Expected Dividend Stream: $4.00
- Number of years before you sell: 4 years

$$\textbf{Price} = \boxed{} \times \frac{1}{(1 + \boxed{})^{\boxed{}}} + \boxed{} \times \left(\frac{1 - \frac{1}{(1 + \boxed{})^{\boxed{}}}}{\boxed{}} \right)$$

$$\textbf{Price} = \left(\underline{} \times \underline{} \right) + \left(\underline{} \times \underline{} \right)$$

$$\textbf{Price} = \underline{}$$

Research Assignment

Use information from this website to complete the chart: https://www.iposcoop.com/last-12-months

	Company	Symbol	Industry	Offer Date	Shares (millions)	Offer Price	1st Day Close	Current Price	Return
1			Health Care						
2			Health Care						
3			Health Care						
4			Health Care						
5			Financials						
6			Financials						
7			Financials						
8			Financials						
9			Consumer Goods						
10			Consumer Goods						
11			Consumer Goods						
12			Consumer Goods						
13			Technology						
14			Technology						
15			Technology						
16			Technology						
17			Consumer Services						
18			Consumer Services						
19			Oil & Gas						
20			Oil & Gas						

Stocks

Watch the presentation **Stocks**

Now that you are familiar with the language of stocks, its time to discuss The Stock Market.

Stock Market

Two major types of Stock Markets:

- _____
  - The market of _____, where companies first sell their shares to the public.
- _____
  - The _____ market for existing outstanding shares.

Primary Market

- _____ is the term used when a company opens its ownership structure to the general public through the sale of _____,
  - Benefit: generates working _____ for the company.
- An _____ is often hired to help accomplish the sale of an IPO.
  - They will complete a _____ to provide buyers with information about the company and the impending sale.

Secondary Market

- This is the market where _____ common stock holders can sell their stock or buy more stock.
- This is also where _____ stockholders can buy stock for the first time.

Stock Exchanges

- An organized _____ where the buying and selling of stock takes place.
- The most well know stock exchange is the _____.

What four minimum requirements must a company meet to be listed on the NYSE.

1. _____
2. _____
3. _____
4. _____

Stock Indexes

- A tool designed to track the _____.
- The three most recognized indexes are:
  - _____
  - _____
  - _____

Dow Jones Industrial Average (also called _____)

- First calculated on _____.
- Named for Charles _____ and Edward _____.
- Shows how _____ large, publicly owned companies based in the _____ have recently traded.

The Standard and Poor' s Index (also called_____)

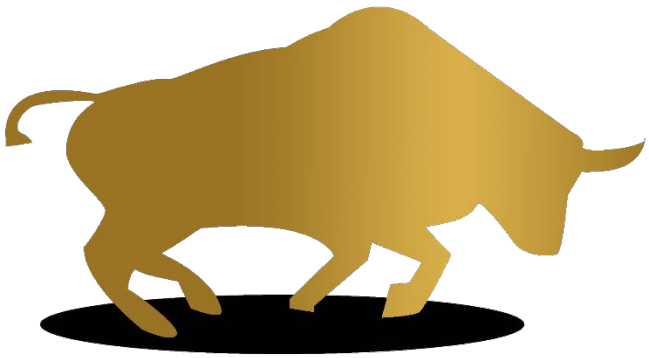
- Named for two financial companies that merged in _____:
  - Standard Statistics Co. and Poor's Publishing Co.
- Tracks the _____ largest companies having common stock listed on the NYSE or NASDAQ.
- Considered by many to be the _____ overall measurement of stock performance in America.

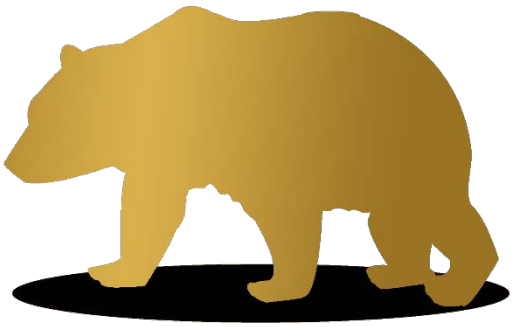
NASDAQ Composite Index

- Started tracking performances in _____.
- Index of the performance of the _____ largest American and international non-financial securities listed on the NASDAQ.
- Heavily based on the performances of _____ companies.

Describing Market Performance

- Two terms that describe market performance:
  - _____
    - A prolonged _____ market, where overall stock prices are consistently _____.
  - _____
    - A prolonged _____ market, where overall stock prices are consistently _____.





Assignment

Do research to find out whether we are currently in a bull or a bear market: _____

_____

Bonds

Watch the presentation **Bonds**

Definitions

Match the bond terms with their definitions:

Bond Term	Matching Letter
Face Value	
Maturity	
Coupon	
Coupon Rate	
Interest Rate Risk	

	Definitions
A.	The stated interest payment made on a bond.
B.	The specified date on which the principal amount of a bond is paid.
C.	The annual coupon divided by the face value of the bond.
D.	An inverse relationship between the value of the bond and the change in the Federal Interest rate.
E.	The principal amount of a bond that is repaid at the end of the term. This is also referred to the par value.

Bonds

- Bonds are a _____ of the issuer.
- Businesses and governments both sell bonds. Governments that sell bonds to make money:
  - _____
  - _____
  - _____
  - _____
- The current value of outstanding federal bonds has how many zeros behind it? _____
- It is generally an _____ only loan.
  - The borrower will pay interest every _____
    - This can be monthly, every three months, or annually
  - None of the _____ will be repaid until the end of the loan, or the _____ date.

Types of Bonds

- _____
  - Offered by Federal, state, or local governments
- _____
  - Offers no coupon payments, but you pay significantly less for it than its face value.
- _____
  - Coupon Payments are adjustable and tied to an interest rate index.
- _____
  - Coupon Payments depend on the company's income.
- _____
  - Bond holder can choose to swap the bond at any time before maturity for a fixed number of the company's stock shares.
- _____
  - Allows the holder to force early repayment from the issuer at a set price.

Math of a Bond

Equation:

	x		x		=	

Example:

Curriculum City is selling bonds in lots of $1,000 for 30 years. The interest rate on similar debt by other municipalities is 12%.

- Expected Coupon Rate: _____
- Face Value: _____
- Maturity: _____

_____ x _____ x _____ = _____

Practice 3:

1. Olsot and Barnum is selling bonds in lots of $100 for 5 years. The interest rate on similar debt by other municipalities is 10%.
    - Expected Coupon Rate: _____
    - Face Value: _____
    - Maturity: _____

_____ x _____ x _____ = _____

2. McMama's is selling bond in lots of $5,000 for 15 years. The interest rate on similar debt by other municipalities is 8%.
    - Expected Coupon Rate: _____
    - Face Value: _____
    - Maturity: _____

_____ x _____ x _____ = _____

3. California is selling bonds to build a new school. Each bond costs $200 and won't mature for 10 years. The interest rate on similar debt by other municipalities is 5%.
    - Expected Coupon Rate: _____
    - Face Value: _____
    - Maturity: _____

_____ x _____ x _____ = _____

Interest Rate Risks

Things to be mindful of:

- The _____ the time to maturity, the _____ the risk.
- The _____ the coupon rate, the _____ the risk.
- Interest rates on bonds are _____.
- How much money you actually make is dependent on the _____.
    - When the economy is _____ , you will make _____.
    - When the economy is _____ , you will make _____.

The Indenture

- A _____ between the corporation and its creditors that outlines:
    - _____
    - _____
    - _____
    - _____
    - _____
    - _____

Bond Ratings

- An assessment of the bond issuer's _____.
    - These rating reveal how likely the firm is to _____ and the _____ creditors have in the event of a default.
- Firms will pay to have their debt rated.
    - There are two leading bond-rating firms who do this:
        - _____
        - _____
- Ratings range from _____ to _____.
- Different rating firms use different _____ combinations.

Assignment

Research bonds available for purchase. Record what you find:

Government Bond 1: Issued by _____

- Expected Coupon Rate: _____
- Face Value: _____
- Maturity: _____

_____ x _____ x _____ = _____

Government Bond 2: Issued by _____

- Expected Coupon Rate: _____
- Face Value: _____
- Maturity: _____

_____ x _____ x _____ = _____

Business Bond 1: Issued by _____

- Expected Coupon Rate: _____
- Face Value: _____
- Maturity: _____

_____ x _____ x _____ = _____

Business Bond 2: Issued by _____

- Expected Coupon Rate: _____
- Face Value: _____
- Maturity: _____

_____ x _____ x _____ = _____

Mutual Funds

Watch the presentation **Mutual Funds.**

How Mutual Funds Work

- Like _____ and _____ , Mutual Funds are an investment vehicle, a way to build your investment's value.
- Comprised of a _____ of funds collected from _____ investors
    - Many investors can only invest _____ amounts. But put all their money together, and it adds up to a _____ amount of money that can be used to make _____investments.
- The funds are managed and operated by _____.
    - They invest the funds and attempt to produce _____ and _____ for the fund's investors.
- The mutual fund's _____ is designed and maintained to match the investment objectives outlined in the _____.

Advantages of Mutual Funds

- Gives investors who have _____ money to invest, access to professionally-managed, diversified portfolios of equities, bonds and other securities.
- Each shareholder, therefore, participates _____ in the gains and the losses of the fund.
- A mutual fund will invest in a wide _____ of securities.

Shares

What are they? _____

_____

- Can be purchased or redeemed as needed at the fund's _____ value per share, often expressed as (NAVPS).
- The net asset value (NAV) is determined by dividing the _____ of the securities within the portfolio by the total _____ outstanding.
- A funds current value is $12,050. There are currently 1000 shares owned by individual investors. That means each share is worth:

_____ ÷ _____ = _____

Fees

- Investors are assessed fees known as _____ .
    - The total costs associated with the _____, _____, and its _____.
    - These fees can be assessed on the front-end or back-end.
        - When fees are assessed on the _____, it means the fees are included with the initial purchase.
        - When fees are assed on the _____, it means the fees are included with the sale of their shares.

Pooled Funds

Explain Pooled Funds in your own words: _____

_____

_____

_____

_____

Advantages	Disadvantages

Mutual Fund Yield (_____)

- The _____ the investor receives on their investment.

Equation:

[ ] + [ ] = [ ]

Example:

A mutual fund has a current market price of $40 a share, and has paid $1 in dividends over the year.

_____ + _____ = _____

You Try:

A mutual fund has a current market price of $100 a share, and has paid $5 in dividends over the year.

_____ + _____ = _____

Practice 4:

1. A mutual fund has a current market price of $150 a share, and pays $12 in dividends per year. What is the fund's MFY?

   _____ + _____ = _____

2. A mutual fund has a current market price of $20 a share, and pays $1 in dividends per year. What is the fund's MFY?

   _____ + _____ = _____

3. A mutual fund has a current market price of $80 a share, and pays $3 in dividends per year. What is the fund's MFY?

   _____ + _____ = _____

Research Assignment

Complete the research and fill in the spaces below by going on to the following website: https://charts.ussif.org/mfpc/ to find three mutual funds for each listed fund type:

Balanced

Ticker Symbol	Fund Name	1 yr Avg %	3 yr Avg %	5 yr Avg %	10 yr Avg %	Mgmt Fee

Equity Large Cap

Ticker Symbol	Fund Name	1 yr Avg %	3 yr Avg %	5 yr Avg %	10 yr Avg %	Mgmt Fee

Bond (Fixed Inc)

Ticker Symbol	Fund Name	1 yr Avg %	3 yr Avg %	5 yr Avg %	10 yr Avg %	Mgmt Fee

Int'l Global

Ticker Symbol	Fund Name	1 yr Avg %	3 yr Avg %	5 yr Avg %	10 yr Avg %	Mgmt Fee

Equity Mid-Sm Cap

Ticker Symbol	Fund Name	1 yr Avg %	3 yr Avg %	5 yr Avg %	10 yr Avg %	Mgmt Fee

The Money Market

Watch the presentation **The Money Market.**

Money Market Funds

- A mutual fund that invests in _____, or cash-equivalent securities.
    - Sometimes referred to as _____ instruments.
    - Often _____, very liquid investments with _____ credit quality.

Generally, includes:

- _____
    - Similar to savings accounts.
    - Insured by the FDIC;
    - virtually risk-free.
- _____
    - Issued by large corporations to meet short-term debt obligations.
    - Backed by bank's or company's promise to pay on a set date.
- _____
    - Government debt instrument used to repay US debt.
    - Four types of treasury securities:
        - _____
        - _____
        - _____
        - _____
- _____
    - Short term instrument guaranteed by a commercial bank.
    - Similar to Treasury Bills.
- _____
    - Short term borrowing for dealing in government securities.
    - Usually an overnight loan paid back the next day.
    - Used to raise short-term capital

Money Market Accounts

- Similar to a standard bank account, but…
    - _____
    - _____
    - _____
    - _____
    - _____
- Account requirements vary among financial institutions, but these are an average guideline:

Online Bank	Brick and Mortar Bank

Money Market Fund vs Money Market Accounts

Key Differences

_____

_____

Rules Both Must Follow

- The _____ dictates that the average maturity of the Money Market Fund securities must be _____.
- Money Market Funds issue shares to _____ and are required to follow guidelines established by the _____.

Research Assignment

Research Money Market Accounts available to you. Record what you learn:

Online Account:

Name of Bank: _____

Interest Rate (APY): _____

Minimum Deposit Amount: _____

Minimum Balance Amount: _____

Other Notes: _____

_____

_____

Brick and Mortar Account:

Name of Bank: _____

Interest Rate (APY): _____

Minimum Deposit Amount: _____

Minimum Balance Amount: _____

Other Notes: _____

_____

_____

Which would you choose? Why?

_____

_____

_____

_____

_____

_____

_____

401Ks and Other Retirement Accounts

Watch the presentation **401k's and Other Retirement Accounts.**

401K

Setup	• _____ _____ • _____ _____
Contributions	• _____ _____ • _____ _____
Taxes	• _____ _____

Historically Speaking

- 401K plan was enacted into law in _____.
  - Named after the _____ of the Internal Revenue Code that created it.
  - By the end of 2015, 401K plans accounted for roughly _____ of the total retirement plan assets in the United States.
  - Total 401K balances have increased more than _____ from 2008 to 2015.

Today

- Almost _____ people actively participate in their employer's 401K plans.
- More than _____ different company plans are in place.
- An average company plan offers around _____ different investment options.
- Plans have increased options;
    - _____
    - _____
    - _____
    - _____

It Adds Up…

- If an employee contributes the maximum allowable contribution of _____ a year, into a diversified portfolio that yields _____ per year.
- In 20 years they will have _____!

Roth 401K

- This is an _____ 401K plan.
    - Offers participants a _____ retirement account.
        - Roth 401Ks are accounts that individuals contribute to _____ the taxes have been paid on their paychecks.
        - The earnings from this retirement plan remain _____ when the earnings are paid as income upon retirement.
        - This plan option is available in more than _____ of company 401K plans.

Other Retirement Plans

Keogh Plans

- A tax-deferred plan available _____ individuals or unincorporated businesses for retirement purposes.
- There are _____ related to the upkeep of this plan than other plans.
- Contribution limits are _____ than with other plans making this a more popular option for business owners and proprietors.

403(b) Plan

- Tax deferred annuity plan offered to certain employees of:
  - _____
  - _____
  - _____
- Investors in these accounts may contribute a maximum of _____ per year.
- Investors in their 50s and 60s can make _____ contributions of $5,000 more per year.

Research Assignment

https://www.irs.gov/retirement-plans/401k-plans

Go to this web site and find the answers to the following questions:

Choose a 401(k) Plan

- List the three main types of 401(k) plan available to employers:
  1. _____
  2. _____
  3. _____

Establish a 401(k) Plan

- List the 4 basic actions an employer must take to setup a 401(k):
  1. _____
  2. _____
  3. _____
  4. _____

Participate in a 401(k) Plan

- What is the current limit for employee elective deferrals for:
  - Traditional and Safe Harbor plans: _____
  - Simple 401 (k) plans: _____
- Overall limits on Contributions made by Employers to Employee accounts can't exceed the lesser of:
  - _____, or
  - _____

Terminate a 401(k) Plan

- When can an employee normally take money back out of their 401 (k), also called a distribution:
  - _____
  - _____
  - _____
- When else can the plan make distributions:
  - _____
  - _____
  - _____

Reflection

Explain what you learned about investing for retirement.

Check out these other Life Skills Workbooks:

Managing Your Time

Getting a Job

Bills

Banking and Savings

Automobiles

Clothing

Moving

Budgeting

And much, much, more…

Answers

Practice 1

1. $250 x .08 x 5 = $100

   $250 + $100 = $350

2. $1,384 x .15 x 4 = $830.40

   $1,384 + $830.40 = $2214.40

3. $539 x .075 x 0.833 = $3.37

   $539 + $3.37 = $542.37

Practice 2

1.

Time	Principle	Interest	Balance
Year 1	$ 100.00	$ 6.00	$ 106.00
Year 2	$ 106.00	$ 6.36	$ 112.36
Year 3	$ 112.36	$ 6.74	$ 119.10
Year 4	$ 119.10	$ 7.15	$ 126.25
Year 5	$ 126.25	$ 7.57	$ 133.82
Year 6	$ 133.82	$ 8.03	$ 141.85
Year 7	$ 141.85	$ 8.51	$ 150.36
Year 8	$ 150.36	$ 9.02	$ 159.38
Year 9	$ 159.38	$ 9.56	$ 168.95
Year 10	$ 168.95	$ 10.14	$ 179.08

2.

Time	Principle	Interest	Balance
Year 1	$ 5,000.00	$ 250.00	$ 5,250.00
Year 2	$ 5,250.00	$ 262.50	$ 5,512.50
Year 3	$ 5,512.50	$ 275.63	$ 5,788.13
Year 4	$ 5,788.13	$ 289.41	$ 6,077.53
Year 5	$ 6,077.53	$ 303.88	$ 6,381.41

3.

Time	Principle	Interest	Balance
Year 1	$ 25,335.00	$ 1,520.10	$ 26,855.10
Year 2	$ 26,855.10	$ 1,611.31	$ 28,466.41
Year 3	$ 28,466.41	$ 1,707.98	$ 30,174.39

Practice 3

1. Expected Coupon Rate: 10% or 0.10
   Face Value: $100
   Maturity: 5 years

   0.10 x $100 x 5 = $50

2. Expected Coupon Rate: 8% or 0.08
   Face Value: $5,000
   Maturity: 15 years

   0.08 x $5,000 x 15 = $6,000

3. Expected Coupon Rate: 5% or 0.05
   Face Value: $200
   Maturity: 10 years

   0.05 x $200 x 10 = $100

Practice 4

1. $12 ÷ $150 = 0.08 or 8%
2. $1 ÷ $20 = 0.05 or 5%
3. $3 ÷ $80 = 0.0375 or 3.75%