Yield to Maturity Method (except for the dates).

On 12 March 1991 a holder acquires for $1,012,500 the right to receive the following income:

- 15 November 1992
- 15 May 1992
- 15 November 1991
- 15 May 1991

Calculation Methods for these present values.

(a) This example is also similar to that in Determination G3: Yield to Maturity Method.

Note: See Example A in Determination G10B: Present Value Calculation Methods for these present values.

(b) The present values at the end of each Income Year are calculated using Method B of Determination G10B: Present Value Calculation Methods. The method is the same as that adopted by the International Association of Bond Dealers and used in the HP-12C and similar calculators.

The calculation of present values in Example B may be made using the BOND PRICE function on the HP-12C (or equivalent) calculator. The following steps reproduce the “Present Value at year end” for the Income Year ending 31 March 1991:

```
(1 + F)
```

Note: The calculations may be made using the BOND PRICE function on the HP-12C (or equivalent) calculator.