

CFA® SAMPLE QUESTION – LEVEL I

Fixed Income

Q: Which of the following BEST DESCRIBES a maturity structure requiring the issuer to annually redeem some portion of the outstanding bonds?

CORRECT ANSWER:

(b) Serial.

In a serial maturity structure, the issuer retires a number of bonds (often annually) prior to maturity as indicated in the indenture.

In a term maturity structure, the issuer redeems the entire issue at maturity.

In a bullet structure, the entire face value of the bond is repaid at maturity.



CFA Society Hong Kong
Candidate Services

