

## CFA® SAMPLE QUESTION – LEVEL I

### Fixed Income

**Q:** You are considering the purchase of a three-year annual coupon bond with a par value of \$1,000 and a coupon rate of 5.5%. You have determined that the spot rate for year 1 is 5.2%, the spot rate for year two is 5.5%, and the spot rate for year three is 5.7%.

What would you be willing to pay for the bond now?

- (a)** \$937.66
- (b)** \$1,000.00
- (c)** \$995.06



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