**FINAL EXAM REVIEW:**

**SECTION I – Bond Analysis & Valuation**

1. **Bond Price and Invoice Price** (Bond Price + Accrued Interest = Invoice Price)

FORMULAS

Bond Price = MP of Bond x 10

Invoice Price = Bond Price + Accrued Interest

Accrued Interest = Semi-annual Coupon Payment x (Days since last CP / 180)

1. **YTM, YTC, YTW and Current Yield**

FORMULAS

=yield (SD,MD,CR,P,R,F)

Current Yield = Annual Coupon Payment / Market Value of the Bond

BOND CONCEPTS

* Corporate Bonds are based on 360-Day accrued basis (every month has 30 days)
* Settlement Day = Trading Day + 3 Business Days
* Issuer Date / Maturity Date / Call Dates / Trading Day / Settlement Day

SPREADSHEET: MARCH 30 – (Corporate Bonds – The mechanics)

**SECTION II – DCF ANALYSIS**

1. INPUT: CASE STUDY

OUTPUT: BUILD THE TRANSACTION SOURCES AND USES AND CALCULATE WACC

SPREADSHEET: APRIL 13-26 – (Private Company Valuation Alexandria Hotel)

1. INPUT: DEBT INFORMATION (DEBT AMOUNT, INTEREST (floating or Fixed), AMORTIZATION SCHEDULE

OUTPUT: DEBT SCHEDULE

SPREADSHEET: APRIL 13-26 – (Private Company Valuation Alexandria Hotel)

1. INPUT: OPERATING ASSUMPTIONS

OUTPUT: BUILD DCF PROJECTIONS

SPREADSHEET: APRIL 13-26 – (Private Company Valuation Alexandria Hotel)

1. INPUT: CASH FLOWS

OUTPUT: EQUITY NPV, TERMINAL VALUES, IRRs

SPREADSHEET: APRIL 13-26 – (Private Company Valuation Alexandria Hotel)