

FA Module 11: Long-term (non-current) liabilities – homework assignment

(The attached PDF file has better formatting.)

*Homework assignment:*

A firm issues a five year annual coupon 6% bond on December 31, 20X0. The par value is 100, and the yield to maturity on the bond is 5% *per annum*.

- A. What is the amortization of premium or accrual of discount on this bond in 20X2?
- B. What is the interest expense for 20X2?

The practice problems for this module show the solutions for similar scenarios.