

Section 2.5: Examples of Savings Bonds

1. What is the current price of a government bond if the par value is \$10,000, the discount rate is 2.1% compounded monthly and has a maturity date of October 5, 2028?

2. What is the current price of a \$50,000 education bond if the discount rate is 6%, compounded semi-annually to a 9th grade student for their college education?