EASY    INTERMEDIATE    HARD

# CFA® SAMPLE QUESTION – LEVEL I

## Fixed Income

**Q:** A bond with a 7.3% yield has a duration of 6.2 and is trading at $977.00.

If the yield decrease to 6.9%, the new bond price is closet to:

**CORRECT ANSWER:**

Ⓒ **1,001.23**

Bond yield change: 6.9% - 7.3% = -0.4%

The percentage price change, based on duration is equal to -6.2 x (-0.4%) = 2.48%

The new price is therefore: 1.0248* 977 = $1,001.23

**CFA Society Hong Kong Candidate Services**

**Mr. Zap Cheng, CFA Candidate Services Committee**

Date of issue: 1 Jan 2024