



[Glossary]
[Bond Management (part-1)]

Subject:	Business Economics
Course:	B.A., 5 th Semester, Undergraduate
Paper No. & Title:	Paper – 511 Investment Management
Unit No. & Title:	Unit - 1 Bond Management
Lecture No. & Title:	1: Bond Management (part-1)

Glossary

Coupon rate – A predetermined interest rate.

Par Value – The Face value of a bond. It is important as it determines the value of bond on its maturity.

Yield Curve - It is a curve that represents the yield of fixed-interest securities on plain against the length of time i.e. till maturity.

Yield to Maturity – It is an estimate of what an investor will receive if the bond is held to its maturity date.

Bond Market – The bond market is a financial market where participants can issue new debt, known as the primary market, or buy and sell debt securities, known as the secondary market.

Inverted Yield Curve – Inverted yield curve shows that the longer term rates are lower than short term interest rates.

Humped Yield Curve – A hump in yield curve is observed when short and long term rates are closer to each other as compared with medium term rates. It is commonly observed when there is fluctuation observed i.e increase in demand or decrease in supply of longer term bonds.



