

Solution to FIN 533 Homework
Due Thursday, September 3, 2009

Treasury Bills

MATURITY	DAYS TO MAT	BID	ASKED	CHG	ASK YLD
Jan 11 07	6	4.5	4.49	-0.11	4.56
Jan 18 07	13	4.57	4.56	-0.09	4.63
Jan 25 07	20	4.61	4.60	-0.01	4.68
Feb 01 07	27	4.70	4.69	-0.06	4.77
Feb 08 07	34	4.70	4.69	+0.01	4.78
Feb 15 07	41	4.73	4.72	-0.08	4.81
Feb 22 07	48	4.79	4.78	-0.04	4.88
Mar 01 07	55	4.83	4.82	-0.02	4.92
Mar 08 07	62	7.86	4.85	+0.01	4.96
Mar 15 07	69	4.85	4.84	-0.01	4.95
Mar 22 07	76	4.88	4.87	-0.02	4.99
Mar 29 07	83	4.88	4.87	-0.02	4.99
Apr 05 07	90	4.91	4.90	-0.01	5.03
Apr 12 07	97	4.90	4.89	-0.01	5.02
Apr 19 07	104	4.90	4.89	-0.01	5.03
Apr 26 07	111	4.90	4.89	-0.01	5.03

The April 05, 2007 T-bill could be sold for:

$$\$10,000 \times \left[1 - .0491 \times \left(\frac{90}{360} \right) \right] = \$10,000 \times [1 - .0123] = \$9,877.25$$