

22.

You have decided to invest in Bond X, an n -year bond with semi-annual coupons and the following characteristics:

- Par value is 1000.
- The ratio of the semi-annual coupon rate to the desired semi-annual yield rate, $\frac{r}{i}$, is 1.03125.
- The present value of the redemption value is 381.50.

Given $v^n = 0.5889$, what is the price of bond X?

- (A) 1019
- (B) 1029
- (C) 1050
- (D) 1055
- (E) 1072