

56.

Sue purchased a 10-year par value bond with semiannual coupons at a nominal annual rate of 4% convertible semiannually at a price of 1021.50. The bond can be called at par value X on any coupon date starting at the end of year 5. The price guarantees that Sue will receive a nominal annual rate of interest convertible semiannually of at least 6%.

Calculate X .

- (A) 1120
- (B) 1140
- (C) 1160
- (D) 1180
- (E) 1200