Mälardalen University College 14/01/2004
Course: Numerical Methods with Matlab (MT 1370)
Teacher: Anatoliy Malyarenko
Glyn Grimwade (Group 4B)

Written Opposition to Group 3B

Group 3B chose to focus on Bonds; their basic qualities, what type of bonds there are, how to value them and how to manage a portfolio of bonds.

The paper composed by group 3B is interesting in content and fairly easy to follow. One thing they have missed throughout the report is footnotes.

3.2 Page 6:

Under the heading "Current yield" the current price of a bond is given to be B(t,T).

Further down under the heading "Yield to maturity" the current price of a bond is given to be B(0,T).

Do they represent the same thing?

3.3 Page 7:

It would be helpful if there was a more in-depth explanation of the formulas used in explaining the duration of a bond.

4.1 Page 8:

About the Zero-Coupon bond; it is stated that an example of a Zero-Coupon bond is a U.S. Treasury Bond. A U.S. Treasury Bond is a negotiable, coupon-bearing debt obligation issued by the U.S. government and pays interest every 6 months at a fixed coupon rate.

8.1 pages 13 & 14:

In their Matlab example they set out to find the weights for a bond portfolio.

It lacks a clear explanation of the results obtained.