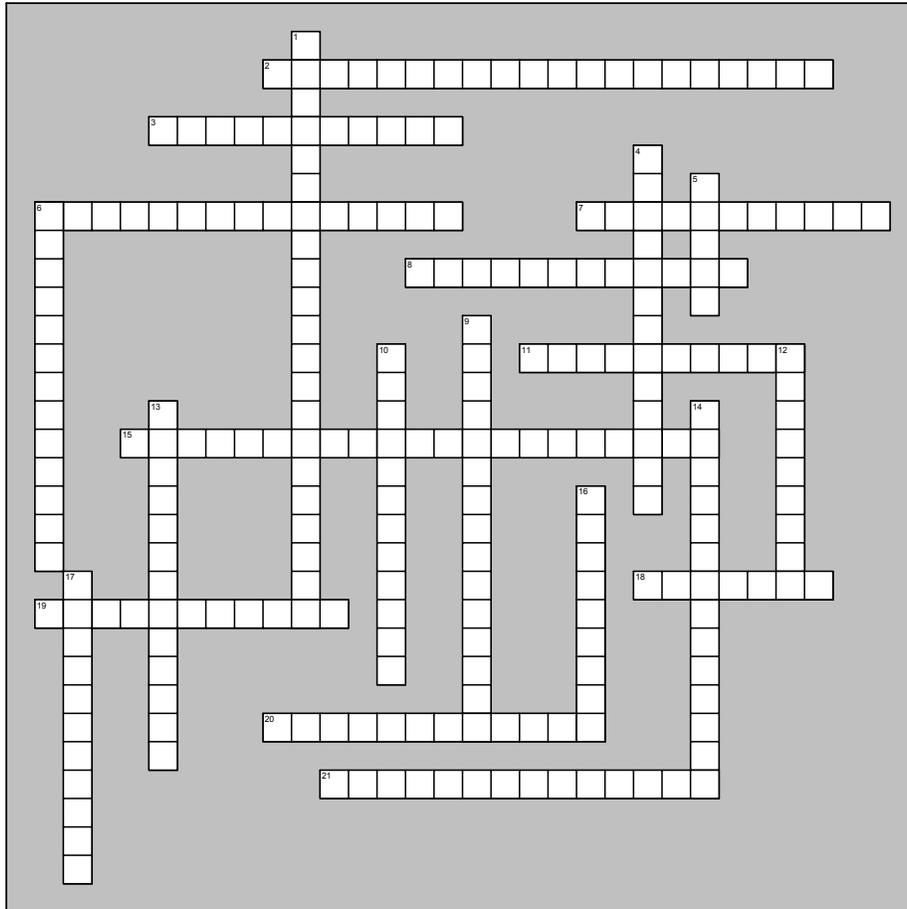


Chapter 15: Investing in Bonds



Across

2. A bond that is registered for principal only, and not for interest.
3. A feature that allows the corporation to call in or buy outstanding bonds from current bondholders before the maturity date.
6. A bond that can be exchanged, at the owner's option, for a specified number of shares of the corporation's common stock.
7. A fund to which annual or semiannual deposits are made for the purpose of redeeming a bond issue.
8. Determined by dividing the yearly dollar amount of income generated by an investment by the investment's current market value.
15. An unsecured bond that gives bondholders a claim secondary to that of other designated bondholders with respect to interest payments, repayment, and assets.
18. A financially independent firm that acts as the bondholders' representative.
19. Bonds of a single issue that mature on different dates.
20. For a corporate bond, the date on which the corporation is to repay the borrowed money.
21. A bond that is registered in the owner's name by the issuing company.

Down

1. A bond backed by the full faith, credit, and unlimited taxing power of the government that issued it.
4. A legal document that details all of the conditions relating to a bond issue.
5. The rate of return earned by an investor who holds a bond for a stated period of time.
6. A corporation's written pledge to repay a specified amount of money with interest.
9. A yield calculation that takes into account the relationship among a bond's maturity value, the time to maturity, the current price, and the dollar amount of interest.
10. A corporate bond secured by various assets of the issuing firm.
12. A bond that is backed only by the reputation of the issuing corporation.
13. A debt security issued by a state or local government.
14. A bond that is sold at a price far below its face value, makes no annual or semiannual interest payments, and is redeemed for its face value at maturity.
16. The dollar amount the bondholder will receive at the bond's maturity.
17. A bond that is repaid from the income generated by the project it is designed to finance.