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Yield to Maturity Is Always Received as Promised: A Reply

Cebula, Richard and Yang, Bill (2008): *Yield to Maturity Is Always Received as Promised: A Reply.* Published in: Journal of Economics and Finance Education , Vol. 8, No. 2 (14 January 2009): pp. 38-41.



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Abstract

This theoretical note elaborates upon why it is a myth that YTM is viewed as only a promised but not really earned interest rate. It addresses some misconceptions in Shirnani and Wilbratte (2009) on what, between YTM and RCY, is a true rate of return of a coupon bond, why YTM is not just a "fictitious mathematical construct," and why YTM has nothing to do with a yield curve.

Item Type:	MPRA Paper
Original Title:	Yield to Maturity Is Always Received as Promised: A Reply
English Title:	Yield to Maturity Is Always Received as Promised:a Reply
Language:	English
Keywords:	yield to maturity; earned interest rate; yield curve
Subjects:	E - Macroeconomics and Monetary Economics > E4 - Money and Interest Rates > E43 - Interest Rates: Determination, Term Structure, and Effects G - Financial Economics > G1 - General Financial Markets > G12 - Asset Pricing ; Trading Volume ; Bond Interest Rates
Item ID:	50122
Depositing User:	Richard Cebula
Date Deposited:	24 Sep 2013 01:29
Last Modified:	30 Sep 2019 07:04

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