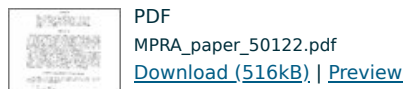


Yield to Maturity Is Always Received as Promised: A Reply

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.



PDF
MPRA_paper_50122.pdf
[Download \(516kB\)](#) | [Preview](#)

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 Shirvani 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

Bodie, Zvi, Alex Kane, and Alan J. Marcus. 2002. Investments. McGraw-Hill Irwin.

Cebula, Richard J., and Bill Z. Yang. 2008. "Yield to Maturity Is Always as Promised." Journal of Economics and Finance Education, 7, 43-47.

Cebula, Richard J., Xiezhong Li, Henry Wang, and Bill Z. Yang. 2009. "Yield to Maturity and Total Rate of Return: A Theoretical Note," Applied Economics Research Bulletin, forthcoming.

References: Fabozzi, Frank J., and Franco Modigliani. 2002. Capital Markets-Institutions and Instruments. Prentice Hall.

Reilly, Frank K., and Keith C. Brown. 1997. Investment Analysis and Portfolio Management. Dryden Press.

Shirvani, Hassan, and Barry Wilbratte. 2009. "The Relationship between the Promised and Realized Yield to Maturity Revisited." Journal of Economics and Finance Education, 8, 34-37.

Strong, Robert A. 2004. Practical Investment Management. Southwestern.

URI: <https://mpra.ub.uni-muenchen.de/id/eprint/50122>

All papers reproduced by permission. Reproduction and distribution subject to the approval of the copyright owners.



Contact us: mpira@ub.uni-muenchen.de

 Atom  RSS 1.0  RSS 2.0

This repository has been built using [EPrints software](#).

MPRA is a [RePEc](#) service hosted by  **UB** | Universitätsbibliothek
Ludwig-Maximilians-Universität München

[Munich Personal RePEc Archive](#)

[Privacy Statement](#)

[Copyright and Disclaimer](#)