



# Asset Liability Management

## Assignment Part B Semester 2 2022

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### Part B Assignment

**(Total 10 marks)**

1. You are considering an investment in the corporate bonds issued by a company whose equity securities and corporate bonds are listed on the stock exchange. **(Total 7 marks)**
  - (a) Describe the sources of return to investors from the corporate bonds. **(2 marks)**
  - (b) Explain the two main sources of risks to the returns when investing in corporate bonds. **(2 marks)**
  - (c) Describe measures that can be used to quantify the risks. **(3 marks)**
  
2. Justify which 3 characteristics that you would pay most attention to when evaluating an investment in a corporate bond. **(3 marks)**

**END OF PART B ASSIGNMENT**