A corporation issues a £1,000 par value bond that will mature in 10 years, at which time the bonds will be redeemed at par. A coupon of £60 will be paid at the end of each year.

1. Calculate the net present value of the bond if interest rates remain at 6% throughout the 10 year period.
2. Calculate the net present value of the bond if interest rates fall to 4%
3. Calculate the net present value of the bond if interest rates rise to 8%
4. Calculate the **yield** of the bond if the market price (NPV) of it £900
5. Calculate **the cost of debt after tax** for the company that issued this bond if the tax rate is 25%.