

# Finance Your Company!

**GROUPS:** Your corporations

Your company, as a whole, will create:

- 2 different bonds
- 1 common stock
- 1 preferred stock

Submit only one worksheet per group but the entire team must have a part in its completion!!!

Draw the bond and stock certificates on poster paper or using the computers (if available) and indicate any information that you feel is important. You can be clever and imaginative. Give your bonds a name to distinguish what kinds of bonds you are offering.

Answer the questions about your company's stocks/bonds.

Name of company \_\_\_\_\_

Team member names \_\_\_\_\_

\_\_\_\_\_

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## Bond # 1

Name of bond: \_\_\_\_\_

For what price will you initially sell the bonds? \_\_\_\_\_

What will be the face value? \_\_\_\_\_  
(May or may not be the same as the sale price – selling at a discount or for a premium)

What is the maturity date? \_\_\_\_\_

What will be your interest rate? \_\_\_\_\_

What will be the cost **per year per bond?** \_\_\_\_\_  
(Multiply the interest % by the face value)

What is the **total** cost for interest only *per bond?* \_\_\_\_\_  
(Multiply the cost per year times the number of years until maturity)

How many bonds will you issue? \_\_\_\_\_

What is the **total** cost of interest for all bonds? \_\_\_\_\_  
(Multiply the total cost per bond time how many bonds are being issued)

What special features did you add to your bond? (Callable, convertible,  
secured, etc.) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



## Bond # 2

Name of bond: \_\_\_\_\_

For what price will you initially sell the bonds? \_\_\_\_\_

What will be the face value? \_\_\_\_\_  
(May or may not be the same as the sale price – selling at a discount or for a premium)

What is the maturity date? \_\_\_\_\_

What will be your interest rate? \_\_\_\_\_

What will be the cost **per year per bond?** \_\_\_\_\_  
(Multiply the interest % by the face value)

What is the **total** cost for interest only *per bond?* \_\_\_\_\_  
(Multiply the cost per year times the number of years until maturity)

How many bonds will you issue? \_\_\_\_\_

What is the **total** cost of interest for all bonds? \_\_\_\_\_  
(Multiply the total cost per bond time how many bonds are being issued)

What special features did you add to your bond? (Callable, convertible,  
secured, etc.) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



## Common stock

How many shares will you issue? \_\_\_\_\_

What will be your par value? \_\_\_\_\_

How much will you receive? \_\_\_\_\_  
(Multiply par value by the number of shares)

On which exchange will your stocks be traded? \_\_\_\_\_

Give your stock a ticker symbol \_\_\_\_\_



## Preferred stock

How many shares will you issue? \_\_\_\_\_

What will be your par value? \_\_\_\_\_

How much will you receive? \_\_\_\_\_  
(Multiply par value by the number of shares)

What special features will you add to this stock? (callable, convertible,  
cumulative, dividends, etc.) \_\_\_\_\_

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\_\_\_\_\_