Tools: Bond Amortisation (W5)

This version is superseded. Click here to view the latest guide.

PURPOSE

This document shows the detailed procedures for using bond amortisation tool in CS Lucas system.

WHY IS THIS IMPORTANT?

Carrying value for bonds where bonds held to maturity need to be stated in the financial statement at amortised (accreted) price that gives a constant yield to maturity. This tool allows user to verify the methodology used by CS Lucas to compute the bond amortised price.

PROCEDURE



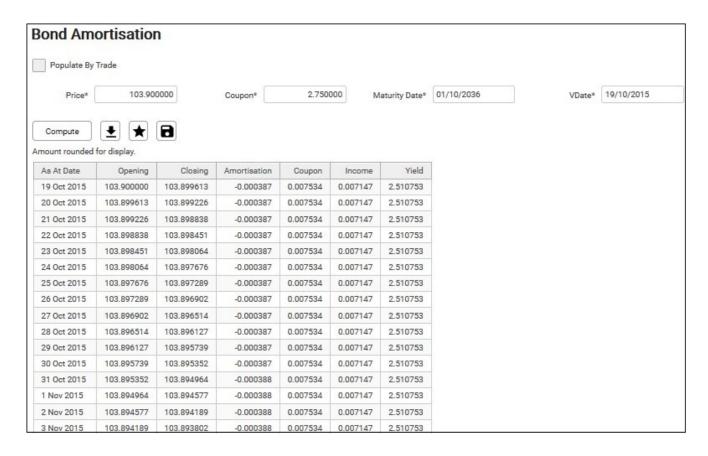
- 1. CS Lucas provide an amortisation (accretion) schedule for a bond that is held to maturity.
- 2. To print the amortisation (accretion) schedule, select Tools > Bond Amortisation from the main menu.



- 3. Fill out all the mandatory fields below:
 - Price Key in the contract price of the bond purchase.
 - Coupon Key in the coupon rate of the bond security.
 - Maturity Date Key in the maturity date of the bond security.
 - VDate Key in the value date of the bond purchase.



4. Click Compute. The bond amortisation schedule will be displayed.



5. You can also choose to populate the bond amortisation schedule by trade ID. Tick on the checkbox for Populate By Trade.



- 6. Select the accounting centre from the drop down and key in the trade id.
- 7. Then, click Populate.
- 8. For more details on computations for constant yield amortisation, click here.

FREQUENTLY ASKED QUESTIONS

RELATED INFORMATION

Constant Yield Amortisation

CHANGE HISTORY

Date	Ву	Changes
19-Sep-2017	Clarissa	Created.
25-Nov-2019	Lуга	Updated Screenshots.