Basis Point	One one-hundredth of a percentage point
Term Structure of Interest Rates	The relationship between time to maturity and yield for a particular category of bonds
Yield Curve	A graphical depiction of term structure of interest rates
Expectations Theory (of the Term Structure)	The return to a longer-maturity bond is equal to the average of the expected returns to one-year bonds
Liquidity Preference Theory (of the Term Structure)	Long-term bonds should offer a higher yield since investors require a liquidity premium to lend long term.
Yield spreads	The relationship between bond yields and the particular features of various bonds
Premium Bond	A bond selling for more than its face value
Discount Bond	A bond selling for less than its face value
Yield to Maturity	The promised compounded rate of return on a bond purchased at the current market price and held to maturity.
Bond-Equivalent Yield	Yield on an annual basis derived by doubling the semiannual yield.
Realized Compound Yield	Yield earned based on actual reinvestment rates
Yield to Call	The promised return on a bond from the present to the date that the bond is likely to be called.
Reinvestment Rate Risk	Risk resulting from uncertainty about the rate at which future interest coupons can be reinvested.
Price Risk	The part of interest rate risk resulting from uncertainty about what the bond can be sold for in the future
Forward Rates	Rates that are expected to prevail in the future. Unobservable but anticipated future bond rates
Bond Ladder	Purchase bonds with different maturity dates to partially protect against interest rate risk.
Duration	The average time that cash flows are paid over the life of the bond calculated as the present-value weighted average of the timing of the payments.
Relationship between bond prices and interest rates.	Bond prices move inversely to interest rates.
Relationship between bond price movements and maturity.	For a given change in market yields, changes in bond prices are directly related to time to maturity. Therefore, long-term bond prices fluctuate more that short-term bond prices.
Relationship between bond price volatility and coupons.	Bond price fluctuations (volatility) and bond coupon rates are inversely related.