

### Section 6.3 Additional Problems

1. You are given the following term structure of interest rates as effective annual rates.

1 year	2 year	3 year	4 year
.025	.03	.035	.05

Find the 2 year forward one year rate and the 3 year forward one year rate.

2. Give an appropriate definition for a  $n$  year forward  $k$  year rate and find an appropriate formula for it using spot rates.