Bonds are a common long-term debt instrument. They are interesting because they are issued with a stated interest rate. Unlike the market interest rates, a bond's stated interest rate will never change. The stated interest rate is what will be paid to the investor over the bond's life. This means that the only way to manipulate the total amount earned or paid from bonds is by adjusting the selling price: What does it mean when a bond is issued at a premium or a discount? How does the issuance cost affect the investor’s earnings from the bond purchases? How is the company’s recognized interest expense affected? Reminder: Use specific examples to support your analysis