**Verizon Communications, Inc.**

Student’s Name

Department, Institutional Affiliation

Course Number and Name

Instructor’s Name

Date

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Verizon Communications, Inc. (VZ) (formerly Bell Atlantic Corporation) represents an American multinational telecommunications conglomerate. The firm is also a corporate component of the Dow Jones Industrial Average. VZ has its headquarters at 1095 Avenue in Midtown Manhattan, New York City. Regarding the issue of incorporation, the company is integrated in Delaware. Through its subsidiaries and other organizations that collaborate with, the firm (VZ) provides communications, entertainment, and information products, as well as services to consumers, government agencies, and private entities, including individual businesses. VZ’s business division offers wireline and wireless communications services and products, including data and video services, and local and long-distance voice services. Additionally, other products and services offered include security and managed network services, corporate networking solutions, and network access in order to deliver different Internet of Things (IoT) products and services (VZ, n.d.). VZ has over 130,000 employees who facilitate the delivery of the various products and services. Based on the firm’s total assets, its approximate worth stands at $300 billion.

The bond market allows investors to trade debt securities associated with bonds, which governments or corporations can issue in order to acquire capital that can enable such institutions to invest in other sectors or acquire assets. Equally, the bond market represents the debt or credit market. Moreover, securities sold on the bond market represent the various forms of debt that institutions acquire after selling different types of bonds (Tu, Rasoulinezhad, & Sarker, 2020). In this case, VZ has engaged in the issuance of different bonds, including the green bond issued in February 2019. During this period, VZ became the first US telecom firm to issue a green bond (VZ, n.d.). The green bond has one distinguishing feature that makes it unique from other types of bonds. Proceeds collected go directly to projects associated with environmental conservation, including issues that aim at reversing the effects of climate change and preventing activities that could lead to natural resources depletion or loss of diversity (Tu et al., 2020). The process of adding collaterals to the bond reduces its risks but “strict” terms increases its risks.

All the bonds that governments and corporations issue have a fixed interest rate. In this context, discounting the expected cash flow to the prevailing situation using a discount rate helps to determine the price of a bond. A potential investor can determine the value and risk of the bond by evaluating its pricing on the bond market, its supply and demand, period taken to mature, and credit quality. The issue of risk emerges due to the nature of fixed-income investments where interest rates could change drastically (Bai, Bali, & Wen, 2019). Equally, the association between the bond’s pricing with the expected yield could increase its risk subject to fluctuations in interest rates.

TVM (time value of money) encompasses the appreciation of the cash at hand because this money is worth more than a similar amount in the future because of its ability to “increase” through interest. In this case, individuals can consider the earning capacity of their money if invested in government or corporations by purchasing the various bonds issued. People can consider an organization’s bond offer and use TVM as a concept that informs individuals that any amount of money can earn interest (Edmiston & Nicholls, 2018). Indeed, the sooner one invests in the various bonds on offer; the sooner one receives interest on top of the initial investment.

**References**

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