

## Errata and Updates for the 13<sup>th</sup> Edition of the ASM Manual for Exam FM/2

(Last updated 7/17/2020) sorted by page

- [7/17/2020] On page 44, in the solution to exercise 4, on the second line, change  $4 + k$  to  $4 + K$  in the numerator.
- [11/2/2019] On page 52, in section 1e, in the second paragraph, delete “of” from the end of the first line.
- [5/29/2020] On page 64, in the solution to exercise 2, on the first line, change  $e^{\int_0^5 \frac{t^2}{k} dt}$  to  $e^{\int_0^5 \frac{t^2}{k} dt}$ .
- [5/29/2020] On page 114, in the solution to Example 2, change 103 to 1.03 in the numerator of first fraction.
- [11/2/2019] On page 187, in the solution to Example 3, change  $a_{\overline{5}|}^{(2)}$  to  $\ddot{a}_{\overline{5}|}^{(2)}$ .
- [5/29/2020] On page 195, in exercise 27, all interest rates should be subscripts as in  $s_{\overline{50}|0.02}$  instead of  $s_{\overline{50}}0.02$ .
- [5/29/2020] On page 241, in the solution to exercise 6, the numerator of the last fraction should be 94.89154 and the last answer should be 1,265.22.
- [7/17/2020] On page 249, in the solution to exercise 24, on the first line, change  $(Da)_{\overline{18}|}$  to  $(Da)_{\overline{68}|}$ .
- [5/29/2020] On page 250, in the solution to exercise 40, the correct answer choice ANS. (C) is missing.
- [7/17/2020] On page 263, in the solution to exercise 13, on the 3rd line, change 897.86 to 897.96 and on the 9<sup>th</sup> line, change 1.059 to 1.05<sup>9</sup>.
- [5/29/2020] On page 268, in the solution to Example 2, on the last line, the last two integrands should be changed to  $t^2 e^{-[.01r^3]_0^t}$  and  $t^2 e^{-.01t^3}$ .
- [7/17/2020] On page 307, in exercise 5, on the first line, change “You are giving” to “You are given”.
- [5/29/2020] On page 337, in exercise 70, answer choice (C), change  $a_{\overline{2}|(6)}$  to  $a_{\overline{2}|}^{(6)}$ .
- [7/17/2020] On page 341, in the solution to exercise 23, on the 5th line, change  $I_2$  to  $I_t$ .
- [6/14/2018] On page 453, in part (1) (b), change the price formula to  $P = C / (1 + \frac{n}{365} i)$ .
- [5/29/2020] On page 453, in part (3), change the definition of  $r$  to: let  $r$  be the compensation for deferred consumption.
- [5/29/2020] On page 455, in exercise 10, change the first sentence to: “You are given the rate on a loan that takes both defaults and inflation into account is 5.74%, the compensation for deferred consumption is 4.09%, and the inflation rate is 1.19%.”
- [11/19/2019] On page 456, in the solution to exercise 4, at the end of the note, change  $AV = 1,000(1.052)(1.067) = 1,122.48$  to  $AV = 1,000e^{-.052}e^{.067} = 1,126.37$ .
- [11/2/2019] On page 457, in the solution to exercise 10, in the second paragraph, change 1.0547 to 1.0574.
- [5/29/2020] On page 482, in the solution to Example 4, change  $\frac{C_{mac} + D_{mod}}{(1+i)^2}$  to  $\frac{C_{mac} + D_{mac}}{(1+i)^2}$ .
- [11/2/2019] On page 495, exercises 4 and 5 should be solved after learning about spot rates and forward rates in section 11a.
- [5/29/2020] On page 515, on the line before the last, change  $(1 + f_{[t_1, t_2]})$  to  $(1 + f_{[t_1, t_2]})$ .
- [5/29/2020] On page 517, in Example 2, 2<sup>nd</sup> paragraph, replace “amortizing interest rate swap” with “accreting interest rate swap”.
- [6/14/2018] On page 521, in the solution to Example 8, on the last line, change the numerator in the first fraction to 2,450 – 2,367.69 and the numerator in the second to 82.31.