

Errata of *Financial and Actuarial Mathematics* by Chan and Tse (updated 11 July 2009)

Page and Line	Error in book	Correction
P(23), L(\uparrow 4)	\dots gives $n = 35$ \dots exact value is 36	\dots gives $n = 36$ \dots exact value is 35
P(28), L(1)	3% quarterly	3% per annum compounded quarterly
P(35), L(\uparrow 1)	$100 \times \frac{(1.09)^{-5} - 1}{0.09}$	$100 \times \frac{(1.09)^5 - 1}{0.09}$
P(60), L(2)	$(Da)_{\overline{7} }$	$(Ia)_{\overline{7} }$
P(62), L(10)	\$4,000	\$3,000
P(77), L(9) & L(\uparrow 6)	March	April
P(77), L(15) & L(17)	3/1	4/1
P(115), L(4)	fifth	sixth
P(130), L(14)	$\dots = (1.019)^{-119/183} 103.4368 = \dots$	$\dots = (1.019)^{-119/183} (103.4368 + 2.1) = \dots$
P(173), L(\uparrow 4)	are not reinvested	are reinvested
P(197), L(6)	Which option should \dots	Calculate the annual effective rates of interest of the options. Which option should \dots

L(\uparrow n) refers to n th line from the bottom.

Errata of *Financial and Actuarial Mathematics* by Chan and Tse (updated 14 April 2008 .. cont.)

Page and Line	Error in book	Correction
P(221), L(\uparrow 10)	$i_2 = 5.5\%$	$i_2 = 4.5\%$
P(299), Eq(11.12)	$f_S(0) = \prod_{i=1}^I \sum_{j=1}^J (1 - Q_j)^{n_{ij}}$	$f_S(0) = \prod_{i=1}^I \prod_{j=1}^J (1 - Q_j)^{n_{ij}}$
P(299), Eq(11.13)	$i(-1)^k \sum_{j=1}^J n_{ij} \left(\frac{Q_j}{1 - Q_j} \right)$	$i(-1)^{k-1} \sum_{j=1}^J n_{ij} \left(\frac{Q_j}{1 - Q_j} \right)^k$
P(318), L(7)	$f_X(x) = \frac{1}{\sqrt{2\pi}\sigma} \exp \left[-\frac{(x-\mu)^2}{2\sigma^2} \right]$.	$f_X(x) = \frac{1}{\sqrt{2\pi}\sigma} \exp \left[-\frac{(x-\mu)^2}{2\sigma^2} \right]$.
P(321), L(\uparrow 6)	(a) 0.05, 0.05, 0.05	(a) 0.05, 0.04762, 0.04545
P(322), L(20)	i_k	$i_k = (1 + i)^k - 1$
P(324), L(14)	\dots payment is \$2,047.30	\dots payment is \$537.38
P(325), L(2)	\dots ; 192.98;	\dots ; 92.98;
P(325), L(21)	5.28 (a) 4.873% (b) 4.9165% (c) 5.0104%	5.28 (a) 9.746% (b) 9.833% (c) 9.654% all rates per year convertible semiannually
P(328), L(4)	12.80%	11.62%
P(329), L(8)	(a) \$583.38 (b) \$86.68	(a) \$583.80 (b) \$86.74

L(\uparrow n) refers to n th line from the bottom.