

Errata for Fourth Edition of Exam FM/Exam 2 Manual (Last updated 9/23/07)

- [9/10/06] Page 26, last line. Delete the negative sign.
- [9/23/07] Page 29, Q. 9. This problem should actually appear after Section 2b, where the method of equated time is covered.
- [9/23/07] Page 83, solution to Q. 2, 6th line. Should be $3x^2$, not $3x^3$.
- [9/23/07] Page 98, Q. 34, 4th line from bottom. The symbol should be **1,000(a angle 8)**, not 1,000(a angle 15).
- [9/10/06] Page 98, last line. Should say “larger than it was in problem **34**”, not 35.
- [9/10/06] Page 100, Q. 7. This question should actually appear after Section 3i.
- [9/10/06] Page 135, Q. 8 and Q. 10. These 2 questions should say that all logs are to the base e.
- [9/23/07] Page 151, diagram at top of page. The 5% interest rate applies to a one-year period, not to a one-month period.
- [9/10/06] Page 152, 2nd line under “Perpetuities”. The 2nd limit should read “as **n** goes to infinity, not m.
- [9/10/06] Page 153, 3rd line. Should say “**m-thly** perpetuities”, not “monthly”.
- [9/23/07] Page 153, Example 1. For greater clarity, the example should say “an effective **annual** rate of interest of 5%”.
- [9/23/07] Page 176, solution to Q. 1. Insert **Ans. (B)**.
- [9/10/06] Page 188, Q. 41b. Should say “Method **2**”, not “Method 1”.
- [9/10/06] Page 274, Q. 42, 1st line. Should say “5 installments **of \$1,000 each**.”
- [9/23/07] Page 289, solution to Q. 7, 2nd line. The subscript of I should be **n**, not $n - 1$.
- [9/23/07] Page 295, solution to Q. 46, 3rd line. The denominator should be **408.55**, not 408.35. This changes the quotient slightly. $i = 5.00\%$ to the nearest .01%, $X = \$150.02$ to the nearest \$.01 and the total interest is \$342 to the nearest \$1.00. The answer is still (C).
- [9/23/07] Page 332, solution to Q. 3, 3rd line. The first payment toward interest is **iL**, not $i(L/30)$.
- [9/23/07] Page 348, solution to Q. 3, 1st line: The last term in the parenthesis should be $(1.03^{19})(v^{20})$. 2nd line: The exponent of the last term in the brackets should be 19, not 20. These typos do not affect the rest of the solution.
- [9/23/07] Page 353, 1st, 2nd, 4th and 5th lines. Replace t by **2t**. This does not affect the rest of the solution.
- [9/23/07] Page 371, solution to Q. 7, next-to-last line. The amount in parenthesis should be **(1,014)**, not (1,104).
- [9/23/07] Page 377, solution to Q. 2, 2nd line. Should say “**end of 5 years**”, not 10. This does not affect the rest of the solution.

[9/23/07] Page 379, Q. 5 & 6. The price of a T-Bill is computed using simple discount and a 360-day year. For example, price of a \$100 13-week T-Bill at annual discount rate of d is $100[1 - (91/360)d]$. This is covered in the 5th and later editions of the manual.

[9/23/07] Page 412, solution to Q. 16, 4th line. The first term should be $7.50v^5$.