Errata: ACTEX Exam MFE/3F Flashcards – 2009 Edition
August 28, 2009

Module 1: Card 4.

The flash card does not mention that this relationship only holds when the current value of the stock equals the strike price of the options.

Module 1: Card 7.

The left side of the equation is missing. It should be $C(K,T)-P(K,T)$.

Module 1: Card 9.

C(S,Q,0) should be *C(S,Q,T-t).*

Module 1: Cards 12 and 13.

$F_{0,Y}$ should be $F_{0,T}$.

A software glitch has resulted in legibility issues on two cards. They are:

1) Module 2: Card 9. The second formula should be $dS_t = e^{(r-\delta)t\sqrt{h}} S_t$.

2) Module 5: Card 9. The first line should be $= \Delta dS - \left(C\left(S+dS\right)-C\left(S\right)\right) - r\left(\frac{h}{365}\right)\left(\Delta S - C\left(S\right)\right)$.

Module 12: Card 21.

The first formula should be $\frac{dP}{P} = \alpha\left(r,t\right)dt - q\left(r,t\right)dZ$, and the formula in the second bullet should be $\frac{1}{2}\sigma\left(r\right)^2\frac{\partial^2 P}{\partial r^2} + \left[a\left(r\right)+\sigma\left(r\right)\phi\left(r,t\right)\right]\frac{\partial P}{\partial r} + \frac{\partial P}{\partial t} - rP = 0$. This card should have been numbered 17, instead of 21.