

Errata List
Mathematics of Investment and Credit, 3rd Edition
3rd Printing, July 2, 2007

Page 68, 3rd line from bottom: there should be 30 just after the 2nd = sign

Page 69, 2nd line of diagram under July 31: should read +30(1+j) (add + to 30)

Page 80, line 4: should be $[X(1.06)^2 - 1000(1.06) - 1000](1.06) - 1000$

Page 81, Equation 2.7: sum should be from $t = 1$ to n (not $i = 1$ to n)

Page 94, 3rd line of text from the bottom: should be $(1+i)^{n-t} dt$. (not $(1+i)^{n-1} dt$.)

Page 124, last line: should read $j = .00529$, or $i^{(12)} = .06348$.

Page 138, 2.1.12: add the sentence “The final payment is made on Jan. 31, 2005.”

Page 140, 2.1.22(a): should state “ n times per year equally spaced”

Page 143, 2.1.36(e)(ii): delete $= \sum_{j=1}^k t_{j-1} |a_{t_j - t_{j-1}}|$

Page 145, 2.2.6, in lines 1 and 3: 2010 should be 2000

Page 152, 2.2.29(e)(i): add $\cdot s_{\overline{n}|i}$ before the last = sign

Page 153, 2.2.29(h): add “and for $n = 10$ and $m = 12$ ” to the end of the last sentence

Page 154, 2.2.30(d): $\overline{s}_{\overline{n}|i}$ should be $\overline{s}_{\overline{1}|i}$

Page 160, 2.3.26(j): should be $(Da)_{\overline{n+1}|} = (n+1)v + v \cdot (Da)_{\overline{n}|} = a_{\overline{n+1}|} + (Da)_{\overline{n}|}$

Page 163, line 4 should read: due is $\ddot{a}_{\overline{\infty}|} \cdot (I\ddot{a})_{\overline{\infty}|}$.

Page 164, 2.3.43(b): should be ... denoted $(I\overline{a})_{\overline{n}|}$.

Page 167, 2.4.3(b) line 2: should be $P_2 = K \cdot \frac{1}{a_{\overline{n}|i}}$.

Page 168, 2.4.6(a): should be 8 years (not 10 years)

Page 197, bottom line: 209.97 should be 1209.97

Page 199, 3.1.2, line 2: should be $PR_{t+1} = PR_t(1+i) + K_{t+1} - K_t$ (second subscript should be t , not r)

Page 211, 3.2.36(b), 2nd line: subscript t is missing from second OB

Page 214, 3.3.1(a), line 3: should read: 10-payment annuity with payments of 16,902.95, ...

Page 240, Table 4.3, last row right-hand entry: $(1-j) s/b (r-j)$ so it reads: $F[1+(r-j) \cdot v_j]$

Page 255, 4.1.27, last line: should be Show that $\bar{F} \cdot F \cdot \bar{s}_{\overline{t}|j}$...

Page 257, 4.1.34(b): change $\lim_{j \rightarrow 0}$ to $\lim_{j \rightarrow -1}$

Page 280, the second equation, 2nd line should read: $-500,000(1+i)^{2/12} = 1,100,000$

Page 284, bottom line: the superscript $1993+S$ should be $1993+5$

Page 289, last line: add + sign after (20)

Page 293, 5.1.6(c): line 2, delete ..., at the end of the line
line 3, delete ..., at the end of the first term

Page 294, 5.1.6(c): line 3, "Then" should be "Show that"

Page 313, 3rd line from bottom: 99.95 should be 99.59

Page 314, line 3: .9829 should be .9828 and 101.25 should be 101.125

Page 316, last paragraph, line 3: delete "two" at the start of the line

Page 335, line 3 and 6 lines from bottom: "free" should be "fee"

Page 338, 6.1.3, line 2: last term should be $s_3 = .05$ (not .5)

Page 346, Solution, line 8: should be $\frac{65.75}{48.23} - 1 = .3633$ (36.33%).

Page 387, 7.2.12: the subscripts for v in the summations should be .08 (not .1)

Page 422, line 9: the 2nd 5.59% should be 9.94%

Page 423, 7 lines from bottom of page, 1st fraction numerator: r_B should be r_A

Page 433, 8.2.9, line 2: change "two years" to "one year"

Page 434, 8.2.12, line 5: delete X

Page 441, 2., line 2, should read: 1 then ENTER (this sets ...

Page 442, line 3: add .25 before first

Page 469, 2nd line of solution: add $\boxed{\text{PMT}}$ after the first $\boxed{+/-}$

Page 489, 1.5.5, 1.045: should be .045

Page 491, 2.1.8(b): should be $\sqrt{1 - \frac{4(Y-X)}{Y}}$

Page 494, 2.2.24, last line: 300.6 should be 150.3 in 2 places

Page 499: 3.2.2, 283.69 s/b 283.68,
3.2.8, should be $i = .09$

Page 501, 3.2.37(b): 15 years should be 116,030.25 (not 116,302.25)

Page 504, 4.1.30(b)(i): 5386 should be 5836

Page 506, 4.3.1: should be 1,768,083

Page 510, 7.1.5: should be 102.26

Page 511, 7.2.10(c): $h(.03) = 18,968$ (delete negative sign)
9378 should be 9738

Page 514, 8.4.1(b): should be 1.3675 (not .3675)