

ERRATA IN MATHEMATICS OF INVESTMENT & CREDIT
Second Edition

1. Page 7 In the last line to the solution of Example 1.3, j_1 should be .0565, not .1565.
2. Page 12 In the solution to Example 1.6, part (a), line 3, 919.19 s/b 909.09.
3. Page 22 In the last line of the table, insert “ m ” in front of the square brackets
4. Page 31 In the first line of solution to (a), $S(1)$ should be $S(0)$.
5. Page 31 In solution to part (b), the integrand of $.18.+115t$ should be $.08+.005t$.
6. Page 34 In the solution to Example 1.21, line 2 should read:
....1000(1.155)=1155.....
7. Page 44 Exercise 1.3.3, line 1, delete “effective”
8. Page 50 Exercise 1.4.6, line 2 should read:
(a) $i^{(2)} = .09$ (b) $i^{(6)} = .09$ (c) $i^{(12)} = .09$
9. Page 52 Exercise 1.5.8, line 1, change “expressions” to
“expression for equivalent rates i and d ”
10. Page 192 Exercise 3.4.4, line 10, change 741,000 to 741,200
11. Page 228 In the last paragraph, in the sentence which begins “The quantity in brackets in Equation (4.11)...”, insert the phrase “negative of the” between the words “The” and “quantity”.
12. Page 365 Answer to 2.2.6 (b) should be
$$v^n = \frac{2}{-1 + \sqrt{1 - \frac{4(1-X)}{Y}}}$$
13. Page 368 Answer to 2.5.5(c): The exponent of the v term should be 3, not 6.
14. Page 371 Answer to 2.8.9 (vi): p.v. after deindexing = 82,177
15. Page 372 Answer to 2.8.16: $X = 404.93$
Answer to 2.8.23 (d) is 19,974

16. Page 376 Answer to 3.3.6 is (a) $L = 74,325$, (b) $75,560$
 Answer to 3.3.7: $L = \frac{\sum K_t v_j^t}{v_j^n + ia_{\overline{n}|j}}$, $Y = v_j^n + ia_{\overline{n}|j}$
17. Page 377 Answer to 3.4.9 (b) is 416%
 Answer to 3.5.4: $P = \frac{Y}{v_h^n + ja_{\overline{n}|h}}$
 Answer to 3.5.16: Money-weighted return is .1667
18. Page 378 Answer to 4.2.21 is 860
19. Page 380 Answer to 4.5.6 (b)(iii) is 7.76%
20. Page 384 6.6.2: $\sum t^2 A_t v^t$: $n = 5$, 2,962,020;
 $n = 15$, 16,896,161; $n = 50$, 60,020,920; $n = 100$, 69,034,390