

## Mathematics of Investment and Credit 5-th Ed

### **Errata List, by S. Broverman Updated September 23, 2011**

Table of Contents, page vii, bottom line should be 1.10 Exercises 52

Page 146, Exercise 2.1.15 should read

... , find the present value on June 1, 2007 of all of the payments made in 2007, 2008 and 2009 combined.

Page 183, Solution to Example 3.3, the equation in the 2<sup>nd</sup> line should

$$100,000 = Z a_{\overline{72}|.01} + 2Z v_{.01}^{72} a_{\overline{72}|.01} \quad (\text{the } .005 \text{ should be } .01)$$

Page 231, In the definition of bonds purchased a premium, at par and at a discount,  $F$  should be replaced by  $C$  . For instance, the first statement should be

(a) If  $P > C$  , the bond is said to be bought at a premium.

Page 284, Solution to Example 5.6, in the line "t=2", the -8,000 should be -8,500

Page 306, 3 lines below boxed definition 6.3,  $s_t$  should be  $s_0(t)$

Page 318, in the line above Equation (6.4),  $i_{n-1,n}$  should be  $i_0(n-1,n)$

Page 318, in the line below Equation (6.4),  $i_{0,1}$  should be  $i_0(0,1)$  and  $s_1$  should be  $s_0(1)$

Page 322, line 2 of 2<sup>nd</sup> paragraph in the box, "Italy", should be "Italy."

Page 341, first line of solution to Example 6.9,  $i_0(n-1,n)$  should be  $i_0(n,n+1)$

Page 405, in line 4 of Section 8.2, "IF" should be "If"

Page 431, in Figure 9.2, the two occurrences of  $S_t$  should both be  $S_T$

Page 435, in Equation (9.2) delete " $= K$ "

Page 438, 4<sup>th</sup> line of paragraph 2,  $F_{0,.25}^P$  should be  $F_{0,1/3}^P$

Page 439, line 7,  $(e^{-\gamma T})^{\gamma T} = 1$  should be  $e^{-\gamma T} \cdot e^{\gamma T} = 1$

Page 440, 2<sup>nd</sup> line from bottom should be

stock purchase = forward contract + zero coupon bond

Page 512, Answer to 2.2.7 should be

1161.36 can be paid on Sept. 1, 1999 and 2000 can be paid every Sept. 1 from 2000 on.

