Updates and Errata for ACTEX Study Manual
SOA Exam FM, Spring 2017 Edition
March 16, 2017

Page M1-48, Problem 7., last line:

Replace "$d(4)$" with "$\delta(4)$"

Page M1-65, Solution to Problem 1., 4th line:

Replace "$(1 - 0.05/4)^{-4} = 1.05160 - 1 + i$" with "$(1 - 0.05/4)^{-4} = 1.05160 = 1 + i$"

Page M2-14, Example 2.31, last 2 lines should read:

FV = 20,000, and CPT PMT = –712.91
The level payment is 712.91.

Page M2-15, first 2 paragraphs should read:

The problem of Example (2.31) could also have been solved with the calculator in END mode. In that case, you would enter the same values:

N = 12, I/Y = 4.5, PV = –5,000, FV = 20,000, and CPT PMT = –744.99

744.99 is the amount you would need to deposit at the *end* of each year. Since this problem involves deposits made one year earlier (at the beginning of each year), the deposits should be smaller by a factor of $1/(1+i)$:

$$\frac{744.99}{1.045} = 712.91$$

Page M2-15, Exercise 2.32, the answer shown is incorrect:

Replace "708.43" with "668.33"

Page M2-34, Exercise 2.82, the answer shown is incorrect:

Replace "2,286.96" with "2,113.35"

Page M2-52, equations at bottom of page, the first line should read:

$$\left(\overline{Ia}\right)_{\overline{n}|} = \int_{t=0}^{n} t \cdot v^t \cdot dt = \left[\frac{t \cdot v^t}{-\delta} + \frac{v^t}{-\delta^2}\right]\Bigg|_{t=0}^{n}$$

Page M5-14, Example 5.21, 2nd line of 4th paragraph:

Replace "I=15" with "I=10"

Page M5-14, Exercise 5.22, Answers:

Replace "NPV(B)=5,646.33" with "NPV(B)=5,646.53"

Page M6-11, Exercise 6.9, Answer:

Replace "0.0551" with "0.0546"

Page M6-20, Problem 5., 2nd paragraph, 2nd line:

Replace "$j_n = i_{1,n}$" with "$j_n = i_{1,n+1}$"

Page M7-32, Inequality near bottom of page:

Replace "$PV^A(i_0) > PV^L(i)$" with "$PV^A(i) > PV^L(i)$"

Page M7-47, Equation in 3rd paragraph:

Replace "$D = 0.2638(3) + 0.7362(4) = 3.7362$"
with "$D_{mac} = 0.2638(3) + 0.7362(4) = 3.7362$"