

# Errata and Updates for the 8nd Edition of Mathematics of Investment & Credit

(Last updated 10/03/2024)

Page 135 **Problem 2.1.1.**

Problem 2.1.1 is similar to 2.1.8. In a future edition Problem 2.1.1 will be replaced with the following:

Smith receives  $X$  at the end of each year for 20 years. The present value of Smith's annuity one year before receiving the first payment is 981.81. Jones receives  $\frac{X}{2}$  at the end of each year for 40 years. The present value of Smith's annuity one year before receiving the first payment is 596.23. Both present values are calculated at the same annual effective rate of interest  $i$ . Determine  $i$  and  $X$ .

**On 10/03/2024, we reverted the digital file back to the original question to keep it consistent with the printed file.**

Page 501 **Solution to Problem 2.1.1.**

Here is the solution to the updated question above:

$$i = 0.08, X = 100$$