

BTDT Manual for exam FM, 2020 Edition
by Dr. [Krzysztof Ostaszewski](#), FSA, FSAS, CERA, CFA, MAAA
Errata

Posted November 9, 2020

In the solution of Problem 1 in Practice Examination 21, the last sentence should be:

The total price is

$$943.40 + 1,640.26 = 2583.66.$$

There is a typo in the first amount, the actual final amount calculated is correct.

Posted August 15, 2020

There is a typo in the result of the first calculation in Problem 24 in Practice Examination 23. In the first calculation, while the setup is OK, the result is mistyped, it should be 919.39, instead of 913.39. This effects the last calculation and the answer choice. The last calculation result is 9.8456% and the answer choice is D.

Posted August 8, 2020

In the solution of Problem 34 in Practice Examination 6, the price of units of Bond 2 to be purchased was miscalculated. It should be:

Therefore, the price of $\frac{943,396.23}{1,040} \approx 907.11176$ units of Bond 2 is approximately

$$907.11176 \cdot 981.41 \approx 890,244.83.$$

This implies that the ending of the solution should be:

The total price of the portfolio purchases will be approximately

$$875,362.85 + 890,244.83 + 934,905.66 = 2,700,513.34.$$

And the answer choice should be:

Answer B.

Posted October 27, 2019

In the solution of Problem 22 in Practice Examination 18, the calculation of the value of the face amount F of the perpetuity should be:

$$F = \frac{400,000 \cdot 0.07}{0.05} = 560,000.$$

This calculation is not relevant to the question asked and is not used anywhere else in the solution.

Posted October 5, 2019

In the solution of Problem 22 in Practice Examination 18, the statement

“The liability is a level ten year annuity”

in the second line of the solution does not make sense, and is not used later. It should say:

“The liability is a single payment at time 10.”

Also, in the sentence starting with the words “The fractions of the portfolio invested in cash, perpetuity, and (...)” the expression “two-year bond” is used twice, when both the problem, the context and the solution indicate that we are working with a ten-year bond. This is a typo. It should say: “ten-year bond.”