

**BTDT Manual for exam FM, 2020 Edition**  
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**Errata**

**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.”**