

BTDI Manual for exam IFM, 2019 Edition
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Errata

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Problem 10 in Practice Examination 6 should have Answer E:

$$\text{E. } 15.9384 \int_{-\infty}^{0.10} e^{-\frac{1}{2}x^2} dx - 19.9002$$

and the last part of the solution should be:

$$\begin{aligned} P &= Ke^{-rT} N(-d_2) - Se^{-\delta T} N(-d_1) = 42e^{-0.2 \cdot 0.25} N(-(-0.10)) - 40e^{-0.02 \cdot 0.25} N(0) = \\ &\approx 39.9516N(0.10) - 19.90025 = 39.9516 \cdot N(0.10) - 19.90025 = \\ &= 39.9516 \int_{-\infty}^{0.10} \frac{1}{\sqrt{2\pi}} e^{-\frac{1}{2}x^2} dx - 19.90025 = \frac{39.9516}{\sqrt{2\pi}} \int_{-\infty}^{0.10} e^{-\frac{1}{2}x^2} dx - 19.90025 \approx \\ &\approx 15.9384 \int_{-\infty}^{0.10} e^{-\frac{1}{2}x^2} dx - 19.90025. \end{aligned}$$

Answer E.