

PRACTICE AND REVISION KIT (SEPTEMBER 2023 EDITION)

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Page 148: Question 16 Robson (solution)

At the start of part a the discount factor should be 1.000 in time 0 and 0.877 in time 1.

Page 167: Question 21 Kerrin (solution)

At the end of b(1) the figure 1.477.3m should be 1,477.3m.

Page 182: Question 26 Newimber (solution)

In the second line of part b $(1.045)^{-5}$ should be $(1.045)^{-5}$.

Page 189: Question 28 Bento (solution)

In the first line under the table in part c $(3,330/1,989)^{1/3}$ should be $(3,330/1989)^{(1/3)}$.

Page 202: Question 32 Nutourne (solution)

At the end of part a two alternative approaches to calculating a spot rate are shown. The first approach (starting 12,692,225 =) should be disregarded.

Page 220: Question 37 Fitzharris (solution)

At the end of part a where it says borrowing cost (4.1% + 0.5%), this should be (3.3% + 0.5%). The rest of the solution is correct.

Page 279: Question 48 Talam (solution)

3 lines from the bottom of the page, 1.11^{-4} should be 1.11^4 .

Page 292: Question 50 Westparley (solution)

In Appendix 3, under the first table, 1.10^{-4} should be 1.10^4 .