

## **ACTEX EXAM C STUDY MANUAL – 2008 Edition**

### **Errata List, by S. Broverman Updated November 8, 2008**

In the Exam C Tables there is a comment stating that when the normal approximation is applied to an integer-valued random variable, the continuity correction should be applied. Sometimes, applying the continuity correction has little or no effect on the answer. Also, when the normal approximation is applied, interpolation in the normal table should not be used. The nearest z-value in the table should be used. The ACTEX manual was printed before the table was released.

The following questions should have used the continuity correction:

#### Modeling Section

Problem Set 17 - #12, #15, #33, #34

#### Practice Exams

PE3 - #7,8 PE7- #8 PE8-#36 PE11-#7

The following should not refer to interpolation in the normal table:

#### Modeling Section

Page LM-41 example,  
PE 17 - #14, 15, 34

#### Model Estimation Section

Page ME-15 - Example ME-5

#### Simulation Section

Page SI-7 - Example SI-8  
Page SI-42 example,

#### Practice Exams

PE3 – 3 , PE6 – 32 , May 07 Exam - #28

Page PE-81, #25, line 4, should say  $x_1 = 5$

Page PE-136, #35, line 3, .9 should be .95

Page PE-320 #40 Solution

In line 3, 101.77 should be 103.57 .

In line 4, the simulated stock prices should be 76.91 , 86.26 and 138.60 .

In line 5, 16.19 should be 18.60 and 5.40 should be 6.20 and the answer should be C

On Page ME-69 add the following sentence just after Equation 6.11  
The survival function estimate for times between interval endpoints is found by linear interpolation between the interval endpoints.

Page CR-162, #34, line 4, delete reference to problem 11