

Errata and Updates for ASM Exam MFE Flashcards Third Edition Fourth Printing Sorted by Date

[3/25/2014] On card 227B, step 3, add -1 after the formula for r_d and before the period: $r_d = (1/P(1, n, d))^{1/(n-1)} - 1$.

[2/1/2014] On card 9B, change " K_3 and $K_3 > K_2$ " to " K_2 and $K_3 > K_2$ ".

[8/8/2013] Card 34B is incorrect. The correct formula is

$$K_2 - K_1 \geq C(S, K_1, T) - C(S, K_2, T) \geq 0$$

[6/26/2013] On card 10B, change " K_1 -strike call" to " K_2 -strike call" and change " K_2 -strike put" to " K_1 -strike put".