



Catalog Description:

Financial transactions involving interest: measurement of interest, force of interest, annuities-certain, amortization, immunization.

Prerequisite:

C- or better in 1152, 2162.xx, 1172, 2182H, 4181H; or credit for 153, 162, 162H, or 191H.

Exclusions: Open only to actuarial science majors and pre-majors, and to math majors.

Text:

Mathematics of Investment & Credit, 7th edition, by Broverman, published by Actex. ISBN-13: 978-1635882216

Purpose:

To understand the fundamentals of financial mathematics

Preparation for SOA/CAS exam FM/2 and other professional certification exams.

Topics List:

1. Compound and simple rates of interest and discount, force of interest.
2. Annuities.
3. Mortgage amortization.
4. Valuation of bonds.
5. Duration.
6. Asset and liability matching.
7. Cash flows.