

ACT 230H1F, Fall 2016 Mathematics of Finance for Non-Actuaries

Lecture Section	L0101 Mondays, Fridays	
Lecture times, location	M 10-12, From Sep 12 in SS2102 F 10 (tutorial), From Sep 23	
Instructor	Dr. Andrei Badescu	
	Office: SS6024 416-946-7582 badescu@utstat.utoronto.ca	
Instructor's office hours	Tu 10:00 am– 11:30 pm starting Sept 19	
Tutorial sections : the student should assign online to any of the rooms that are still available	F 10:00 – 11:00 Starts Sep 23 TBA Tsz Carry Fung – SS 1072 Peng Liu – UC52 Xing Shuo Zhai – AB107	

Texts:

Required

- Exam FM Study Guide, any version 2013 – 2015 should be good, Samuel A Broverman,

Additional

- Mathematics of Investment and Credit, 5th. Ed., Samuel A Broverman, ACTEX Publications, 2010
- Kellison, S.G., Theory of Interest (Third Edition), 2009, Irwin/McGraw-Hill

Course Objective:

The purpose of the course is to prepare students to do financial valuations and to create the necessary background that is useful for future university courses. You are expected to read and understand the descriptive portions of the text yourself. Questions and in-class discussions are encouraged.

Coverage:

- Interest Rate Measurement – Sections 1-3
- Valuation of Annuities – Sections 4 - 8
- Loan Repayment – Sections 9 - 10
- Bond Valuation – Sections 11 – 12
- Measuring the Rate of Return in a Fund – Section 13

ACT 230 Fall 2016 (Continued)

Marking Scheme:

The final course mark will be determined via 1 in-class term test, worth 40% and a final exam worth 60%. These weights will not be changed, either for the whole class or for any individuals. The test and the final exam will NOT be in multiple choice format

Term Test - 31-OCT-16 UC 266 10:00 12:00 University College
31-OCT-16 UC 273 10:00 12:00 University College

Final Exam - TBA

Missed Term test:

Please do not take this course if you plan to be sick for the obligatory term test. There will be no make-up test. Should you miss the term test, you are required by faculty regulation to submit the appropriate documentation (within one week after the missed term test) to the course instructor. Print on the documentation your name, student #, the course number and the date. We are skeptical about accepting medical certificates unless the doctor specifically indicates that in his/her opinion there was a disabling health problem on the day of the test. If your documentation is accepted, the test's weight will be shifted such that your final mark will consist of the mark obtained in the final exam. If documentation is not provided or is not accepted, your test mark for the missed test will be zero.

Calculator

A calculator is essential for working exercises, tests and final exam. It is necessary for ACT230 that your calculator be able to solve for the interest rate i in calculations such as $10(1+i)^4 + 20(1+i)^3 + 30(1+i) = 160$. ONLY the non-programmable calculators are allowed.

E-mail policy:

E-mails will only be answered if they are from a U of T address. When there are many e-mail requests, not all can be answered, but an answer to a common question will be posted on the blackboard.

Updates:

All the possible updates regarding to this course will be made in class and on blackboard.