

Subject ST5

Corrections to 2015 study material

Comment

This document contains details of any errors and ambiguities in the Subject ST5 study materials for the 2015 exams that have been brought to our attention. We will incorporate these changes in the study material each year. We are always happy to receive feedback from students, particularly details concerning any errors, contradictions or unclear statements in the courses. If you have any such comments on this course please email them to ST5@bpp.com.

You may also find it useful to refer to the Subject ST5 Frequently Asked Questions thread on the Actuarial Discussion Forum. (You can reach the Forums by clicking on the “Discussion Forum” button in the bottom left-hand corner of ActEd’s website, or by going to www.acted.co.uk/forums/.) This contains useful questions asked by students studying Subject ST5, with answers written by ActEd’s tutors.

Important note

This document was last updated on 11 September 2015.

ST5 mini ASET***April 2015 Questions*****Question 7**

There is a problem with Strategy B in this adjusted question, where the “buy” and “sell” for the first two call options are given the wrong way round.

The question information should read:

Strategy B

- Buy one European call at a strike of 5,100 (price 920).
- Sell one European call at a strike of 5,400 (price 680).
- Sell one European call at a strike of 6,600 (price 80).
- Buy one European call at a strike of 6,900 (price 30).