

# ActuarialBrew.com

## Exam MFE/3F Review Notes

### Review Notes Product Summary

The ActuarialBrew.com Review Notes for the MFE/3F Exam are a detailed supplement to the McDonald Derivatives Markets text that helps you quickly understand the concepts as you prepare for the exam.

Our MFE/3F Review Notes provide a chapter-by-chapter explanation of the Derivative Markets text, covering all of the Exam MFE/3F learning objectives with a special focus on:

- difficult concepts
- areas that are especially likely to be tested.

Where the assigned chapters of the McDonald text rely on earlier unassigned chapters, our Review Notes explain the potentially unfamiliar material.

**Free email support** is provided to students who purchase our MFE/3F Review Notes. We provide quick responses to questions because we are dedicated to help our customers pass the exam.

The MFE/3F Review Notes succinctly describe the more straightforward concepts, and they explain the confusing concepts in more detail as needed. Our goal is not so much to summarize the material as it is to prepare you for the exam.

The following McDonald Derivatives Markets text chapters are included for Exam MFE/3F:

- Chapter 09: Parity and Other Option Relationships
- Chapter 10: Binomial Option Pricing I (excl. Options on Commodities)
- Chapter 11: Binomial Option Pricing II, 11.1 – 11.4, incl. Appendices 11.A and 11.B
- Chapter 12: The Black-Scholes Formula, 12.1 – 12.5, incl. Appendix 12.A
- Chapter 13: Market-Making and Delta Hedging, incl. Appendix 13.B
- Chapter 14: Exotic Options I
- Chapter 18: The Lognormal distribution
- Chapter 19: Monte Carlo Valuation, 19.1 – 19.5
- Chapter 20: Brownian Motion and Ito's Lemma, 20.1 – 20.6, and 20.7
- Chapter 21: The Black-Scholes Equation, 21.2 – 21.2, 21.3
- Chapter 22: Exotic Options II, 22.1
- Chapter 23: Volatility, 23.1 – 23.2
- Chapter 24: Interest Rate Models, 24.1 – 24.5
- Appendix B.1
- Appendix C

### Updated Version

Our MFE/3F Review Notes have been updated for the Spring 2012 MFE/3F exam.

### Authors

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Ruckman and Francis are the co-authors of *Financial Mathematics – A Practical Guide for Actuaries and Other Business Professionals*, which is an approved text of the Society of Actuaries for Exam FM. The authors each have over 10 years of experience in the actuarial education field. They each also have almost 15 years of experience working in the insurance industry.

## Related Products

**PDF Review Notes:** Our PDF MFE/3F Review Notes eProduct is for students who would like to have an electronic version of our study manual. It is exactly the same as our printed Review Notes, except it is a pdf file instead of a professionally printed manual. This eproduct is for the exclusive use of the purchaser and is not to be distributed or used by others.

**MFE/3F Questions (Printed or PDF):** A solid understanding of the important concepts is crucial, but practice working exam-style questions is the real key to passing Exam MFE/3F. That's why we provide additional worked examples and over **650 exam-style questions** in the approximately 250 pages of our MFE/3F Review Notes Questions.

All of our practice questions have a difficulty rating assigned to them so that you can gauge your progress on the more challenging questions. Our questions are exam style in that they are multiple choice and their level of difficulty is similar to that of the actual exam questions. Furthermore, our solutions use the standard normal distribution table with rounding specified by the Society of Actuaries, so you can work the practice problems using the same techniques that you will use during the exam.

**MFE/3F Solutions:** Full solutions to the exam-style MFE/3F Questions can be downloaded free from our website, or a professionally printed hard copy version can be purchased.

To help students prepare for the MFE/3F exam, we also offer:

- **Flashcards (Printed or PDF),**
- **a Set of 4 Practice Exams (Printed or PDF),**
- **an Online Seminar,**
- **and a live Seminar in Chicago.**

For more information about our products, please visit our website at [www.actuarialbrew.com](http://www.actuarialbrew.com).