

Solutions to the Exam MFE/3F Review Questions

Overview


Solutions to Review Questions

The Solutions to ActuarialBrew.com's MFE/3F Review Questions provide full solutions to the over **650 exam-style practice questions** contained in the Review Questions.

If you have access to the online normal distribution calculator or a spreadsheet when working the Review Questions, the SOA advises students to use 5 decimal places for both the inputs and the outputs of the normal distribution calculator. If you don't have access to either one, we provide the old printed Normal Distribution Table at the end of the Review Questions for your convenience. Please note that your results from using the printed table may be different due to rounding.

Practice Questions

Each solution has the following key to indicate the question's degree of difficulty. The more boxes that are filled in, the more difficult the question:

Easy: 


Very Difficult: 

Table of Contents

The Table of Contents for the Solutions to the MFE/3F Review Questions follows the same order as the MFE/3F Review Notes:

- Chapter 9 – Parity and Other Option Relationships
- Chapter 10 – Binomial Option Pricing: I
- Chapter 11 – Binomial Option Pricing: II
- Chapter 12 – The Black-Scholes Equation
- Chapter 13 – Market-Making and Delta-Hedging
- Chapter 14 – Exotic Options: I
- Chapter 18 – The Lognormal Distribution
- Chapter 19 – Monte Carlo Valuation
- Chapter 20 – Brownian Motion and Itô's Lemma
- Chapter 21 – The Black-Scholes Equation
- Chapter 22 – Exotic Options II
- Chapter 23 – Volatility
- Chapter 24 – Interest Rate Models
- Appendix B.1 & C

Errata

The errata for the MFE/3F Review Notes and the Solutions to the MFE/3F Review Questions can be found on our website at www.ActuarialBrew.com. Please let us know about any errata you find by emailing us at ExamMFESupport@ActuarialBrew.com.

Good Luck!