

## Errata and Updates for ASM Exam MFE Flashcards Third Edition Sorted by Page

[5/22/2011] On card 255B, the formula for  $A(t, T)$  is the one that appears in McDonald, but is incorrect. The correct formula should have a minus before  $0.5\sigma\phi(T-t)^2$ .

$$A(t, T) = e^{-0.5\sigma\phi(T-t)^2 + \sigma^2(T-t)^3/6}$$

So far, McDonald has not listed this in the errata, so you are probably not responsible for knowing that his formula is wrong.