Corrections to: Manage Your Money without Formulas. L. Ling. Series: Texts in general education, Vol. 2, HKMS, Hong Kong, 2011.

Dec 14, 2011

P.39	Suppose Jane plans to purchase a $1.43 million apartment in Castle Peak with a fixed-rate mortgage of (at most) 70% of the property's
P.42	Consider the mortgage plan in Example 6.1. Instead of a fixed monthly repayment, Jane chooses a fixed loan period of 10 years. How much does she need to pay each month to clear the debt in that time?
P.63	$\left\{\begin{array}{l} P_0 = \$42,000 \\ r = i^{(52)}/52 \\ n = 52 \times 11 = 572 \\ A = \$399.32 \\ \text{for } \ell = 1,\ldots,n \\ \quad \text{if } \ell = 1,\ldots,52 \\ \qquad P_\ell = P_0 \\ \quad \text{if } \ell = 56,60,64,\ldots \\ \qquad P_\ell = P_{\ell-1} \times (1+r) - A \\ \quad \text{otherwise,} \\ \qquad P_\ell = P_{\ell-1} \times (1+r) \\ P_n = 0 \end{array}\right\} \longrightarrow i^{(52)}.$
P. 86	35%. Suppose the transaction days are April 1 and April 4, the statements are issued on the 28^{th} of each month. If Betty does not make

P.88	$\left\{\begin{array}{l} P_0 = \$9,250 + \$7,500 \\ A_0 = P_0 \times 4\% \\ i^{(365)} = 35\% \\ r = i^{(365)}/365 = 0.000958904 \\ P_0^* = \$9,250 \times (1+r)^{27} + \$7,500 \times (1+r)^{24} \\ P_1 = (P_0^* - A_0) \times (1+r)^{\text{\# days in the first month after the first statement}} \\ \text{for } \ell = 2,\ldots,n \\ \quad A_\ell = MIN(MAX(P_\ell \times 4\%, \$50), P_\ell) \\ \quad P_\ell = (P_{\ell-1} - A_{\ell-1}) \times (1+r)^{\text{\# days between the } (\ell-1)^{\text{st}} \text{ and } \ell^{\text{th}} \text{ month}} \\ P_n = 0 \end{array}\right\} \longrightarrow n. \quad (13.1)$
P.120	$\left\{\begin{array}{l} P_0 = \$51,500 \\ i^{(12)} = 30\% \\ r = i^{(12)}/12 \\ P_1 = P_0 \times (1+r) \\ A_1 = 0 \\ \text{for } \ell = 2,\ldots,n \\ \quad A_\ell = MIN(MAX(P_{\ell-1} \times 4\%, \$50), P_{\ell-1}) \\ \quad P_\ell = P_{\ell-1} \times (1+r) - A_\ell \\ P_n = 0 \end{array}\right\} \longrightarrow n \text{ and } A_\ell. \quad (18.1)$
P.122	$\left\{\begin{array}{l} Q_0 = \$50,000 \\ n = 289 \\ \text{for } \ell = 1,\ldots,n \\ \quad A_\ell = \text{ Output from Model (18.1)} \\ \quad Q_\ell = Q_{\ell-1} \times (1+r^*) - A_\ell \\ Q_n = 0 \end{array}\right\} \longrightarrow r^*.$
P.138	the annual interest rate, say $i^{(12)}$ as an example. Then, $\mu \times dt$ can be seen as the interest per month $r = i^{(12)}/12$ where dt is the scaling factor $1/12$. The random