

Central Connecticut State University
Department of Mathematical Sciences

Course Syllabus

THEORY OF INTEREST (Actl 335)

Fall 2010

Text: MATHEMATICAL INTEREST THEORY:

James W. Daniel, Leslie Vaaler,
Pearson, Prentice Hall 2006, or Mathematical Association of America 2009

Calculator: BA II Plus, highly recommended although any calculator with financial functions is sufficient

Instructor: Dr. Frank Bensics
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Office Hours: M/T/W/Th - 1:30 - 3:30

Prerequisites: Calc 152 or equivalent

Students for Whom the Course is intended: This course is designed to meet the needs of students who intend to pursue an actuarial career and ultimately take the required professional exams. The material is currently covered on the course FM exams of both the SOA and CAS.

Course Description: Lectures and problems related to the valuation of payments under conditions of certainty. Specific topics deal with the valuation of annuities, bonds, loan amortization and sinking funds.

Course Objective: To provide the student with a working knowledge of the subject to the extent that they could construct a valuation model in cases where occurrence, timing and amount of payments are certain.

The tentative schedule is given below. It is subject to change, but notification of any change in test dates will be given in advance

	Topics	Readings
WEEKS 1-4	The Growth of Money	Chapter 1

	Test 1	
WEEKS 5-8	Equations of Value and Yield Rates	Chapter 2
	Test 2	
WEEKS 9-12	Annuities	Chapters 3 and 4
	Test 3	
WEEKS 13-14	Loans	Chapter 5
Evaluation		
Tests 1, 2, 3		45%
Take Home Assignments		30%
Final Exam		25%

There is no predetermined grading scale.

University Policies:

1. You must take the final exam at the time specified in the course selection book.
2. If you need course adaptations or accommodations because of a disability (certified by the university), please make an appointment as soon as possible.
3. Last day to withdraw is October 19. Withdrawal forms are available in the Enrollment Center, Willard Hall. Cessation of attendance, notice to the instructor, or telephone calls to the Enrollment Center are not considered official notice of student's intention to withdraw from the course.