



Actuarial Science 325

Theory of Interest/Mathematics of Finance

Measurement of interest, elementary annuities, general annuities, amortization schedules and sinking funds, bonds and other securities.

Course Hours: H(3-1T)

Prerequisite(s): [Mathematics 253](#) or 263 or [283](#) or [Applied Mathematics 219](#); or [Mathematics 249](#) or [251](#) or [281](#) or [Applied Mathematics 217](#) with the permission of the Division.

**Suggested Text:** "Theory of Interest", S.G. Kellison (second edition), 1991.

*Syllabus*

**Note:** This syllabus is to correspond closely with the Interest Theory (and Finance) portions of Exam FM of the Society of Actuaries:

Text Chapters 1-3 (exclude 3.6, 3.10),  
4-5(exclude 5.8-5.9),  
6 (exclude 6.7-6.8),  
7.3, 7.4,  
8.5-8.7.  
additional sections from Ch 7, 8, 9 if time and class interest permits.

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2005:07:04  
prerequisite revision Fall 2008 (to include new calc courses)  
DS:jml