

# Practice Exam Errata

October 9, 2018

Practice Exam 1

- In the solution for #11, the investment income should be  $1,200 + (98 + 8) = 1,306$ . Thus, the net income should actually be **\$7,297,000**

Practice Exam 2

- In the solution for #20, the AMTI is calculated incorrectly. It should say  $AMTI = RTI + 0.75 \times \text{income that escapes taxation} = 174 = 0.75[12(1 - 0.15) + 360(1 - (0.20 + (0.80)(0.15)))] = 365.25$ . Thus, the AMIT should be **73.05** and the final income tax should be the AMIT of **\$73,050,000**
- In the solution for #26 part a., the surplus after reinsurance should be  $800,000 - 607,750 =$  **\$192,250**