

Question #300

Answer: B

Assumed profit = $990 * [(100 + 90 - 90 * 0.030) * (1.05) - 0.003 * 10,000 - (1 - 0.003) * 125]$ = 41,619.60

Actual profit = $990 * [(100 + 90 - 90 * 0.025) * (1.04) - 0.002 * 10000 - (1 - 0.002) * 125]$
= 50,004.90

Total gain from mortality, interest and expense = $50,004.90 - 41,619.60 = 8,385.30$.