

Errata for:
“Quantitative Methods: an Introduction for Business Management”
by Paolo Brandimarte, Wiley, 2011

The list of errata will be updated (hopefully not many times...). This version is dated May 23, 2011.
To point out errors, typos, and whatnot: paolo.brandimarte@polito.it

Page 192, first line of Problem 3.6 The Householder transformation is defined by the matrix $\mathbf{H} = \mathbf{I} - 2\mathbf{h}\mathbf{h}^T$ (there is a missing “2” in the statement of the problem).

Page 248, title of Section 5.4 The title should read “... and Bayes Theorem.” This also applies to a couple of subsequent page headings.

Page 348, last line of Problem 7.4 “you boss” should read “your boss.”

Page 349, Problem 7.11 The statement of the problem is not quite correct, as $F_X(x) = x^n$ only for $x \in [0, 1]$, whereas $F_X(x) = 1$ for $x > 1$ and $F_X(x) = 0$ for $x < 0$. See the solutions manual.

Page 380, Problem 8.4 There is something missing in the statement of the problem: Variables X and Y are assumed *identically distributed*, but not necessarily independent. See the solutions manual.

Page 786, second line of section 14.7.1 “random available” should read “random variable”.

Page 790, line -9 from bottom, before the equation of the prior $p(\theta)$ “... is normal, too, with expected value μ and standard deviation σ ”.

Page 798, first displayed equation The equation $\mathbf{P}\boldsymbol{\mu}_e = \mathbf{q}$ should read $\mathbf{P}\boldsymbol{\mu} = \mathbf{q}$; in fact, we are not referring again to the market-implied expected return $\boldsymbol{\mu}_e$, but to expected return, according to the analyst’s subjective viewpoint.

Page 798, line 5-6 “... with elements set to 1 and -1 in columns 2 and 5, respectively...”