

Errata for the 2010 Edition

(These may already have been corrected in your copy.)

Page 38 (8/24/10) : In the second line of Section 3.4, it should say: u and d .

Page 175 (9/18/10) In the solution to Problem #18, the last line should read:

$$Pr[X(2) < 1.2Y(2)] = N\left(\frac{0.18232 - 0.07}{\sqrt{0.116}}\right) = 0.6293.$$

Page 182 (9/18/10) : In the solution to Problem #14 it should read: $d_1 = 0.44$ and the price of the option is

$$100e^{-0.005}(0.33) = 32.84.$$