

Errata Lecture Notes

Last update:

December 23, 2021

1. On the bottom of page 12, in the formula for σ_{20} , the sum goes from 1 to 20 (and not from 1 to n)
2. On pag. 42, the last equation should be $V(0) = h_S(0)S(0) + h_B(0)B(0)$ instead of $V(0) = h_S(0)S(0) + h_B(0)V(0)$
3. On pag. 47, the first equality in the third equation should be

$$V^d(t+1) = V(t+1, x_1, \dots, x_t, d)$$

instead of $V^d(t+1) = V(t+1, x_1, \dots, x_t, u)$

4. On pag. 105, in the right hand side of the first equation there should be $f_X(y)$ instead of $f_X(x)$; similarly in the right hand side of equation (5.7) there should be $\phi_{N,p}(y)$ instead of $\phi_{N,p}(x)$
5. In the last equation on pag. 189 it should be $\sigma\sqrt{T}y$ inside the argument of the function g instead of $\sigma\sqrt{T}$, that is to say, the integration variable y is missing in the place where the random variable X was in the previous equation
6. On pag. 230, the result of the calculation for h_B on the bottom is 1 and not $\frac{31}{25}$