

Page 343, line 9 from bottom. Replace “and an H on the second toss” by “and a T on the second toss.”

Page 348, last line. There is a t missing on the right-hand side. The equation should be

$$S(t) = x \exp \left\{ \sigma \widetilde{W}(t) + \left(r - \frac{1}{2} \sigma^2 \right) t \right\}.$$

Page 353, equation (8.3.21). $\mathbb{I}_{\{S(t) < L^*\}}$ should be $\mathbb{I}_{\{S(t) < L_*\}}$. The $*$ should be a subscript on L , not a superscript.

Page 354, lines 5 and 6 from bottom. $S(t) < L^*$ should be $S(t) < L_*$ in two places. The $*$ should be a subscript on L , not a superscript.

Page 360, equation (8.4.15). This should be an inequality. It should be

$$e^{-rt} v(t, x) \geq \widetilde{\mathbb{E}}[e^{-r\tau} (K - S(\tau)) | S(t) = x]. \quad (8.4.15)$$

Page 360, line 2 from bottom. Change “for any $\tau \in \mathcal{T}_{t,T}$ ” to “for every $\tau \in \mathcal{T}_{t,T}$.”

Page 361, line 9 from bottom. Remove “nonnegative.” The sentence should be “Let $h(x)$ be a convex function of $x \geq 0$ satisfying $h(0) = 0$.”

Page 365, equation (8.5.17). $c_n(t, x)$ on the left-hand side of the equation should be $c_n(T, x)$.

Page 396, line 10 from bottom.

$\mathbb{P}\{\text{For}_S(T, T) > K\}$ should be $\widetilde{\mathbb{P}}^T\{\text{For}_S(T, T) > K\}$.

Page 400, line 9 from bottom. $\widetilde{W}_1(t)$ and $\widetilde{W}_2(t)$ should be $\widetilde{W}_1^{(N)}(t)$ and $\widetilde{W}_2^{(N)}(t)$.

Page 403, equation (10.1.1). The lower limit of summation should be $i = 1$. The equation should be

$$\sum_{i=1}^j C_i B(0, T_i). \quad (10.1.1)$$

Page 406, equation (10.2.2). The left-hand side of the equation should be $dX_2(t)$, not $dX_1(t)$.

Page 412, line 6 from bottom. λ should be λ_1 , so the expression is $C_1' + \lambda_1 C_1 + \lambda_{21} C_2 - \delta_1$.

Page 416, equation (10.2.34). A dt is missing. The equation should be

$$dY(t) = -AY(t) dt + d\widetilde{W}(t). \quad (10.2.23)$$

Page 429, line 7. A dt is missing. The line should be

$$\sigma(t, T) \sigma^*(t, T) dt + \sigma(t, T) [\Theta(t) dt + dW(t)].$$

Page 437, line 13 from bottom. Replace T by $T + \delta$. The line should be “Let $0 \leq t \leq T + \delta$ and $\delta > 0$ be given.”