**Errata for First and Second Printing**

(See copyright page for which printing you have)

**Page 76:** Table 3.11: Change 14.76% to 14.37% (I am grateful to Emilio Barone for pointing this out)

**Page 158:** Table 7.1: Data was not updated from the previous edition. Table should be

|  |  |  |
| --- | --- | --- |
|  | First latent variable  (the *u­*1*j*) | Second latent variable  (the *u*2*j*) |
| 1 yr rate | 0.0502 | 0.1492 |
| 2 yr rate | 0.1385 | 0.3231 |
| 3 yr rate | 0.1997 | 0.3770 |
| 5 yr rate | 0.2918 | 0.3905 |
| 7 yr rate | 0.3421 | 0.3398 |
| 10 yr rate | 0.3557 | 0.2561 |
| 20 yr rate | 0.3739 | 0.1518 |
| 30 yr rate | 0.3671 | 0.1090 |

(I am grateful to Emilio Barone for pointing this out)

**Page 184**

Replace

Qnew(6,1)=….

by

Qnew(6,2)=Qold(6,2)+0.05[V(3)-Qold(6,2)]

Replace Qnew(2,1)=….

by

Qnew(3,2)=Qold(3,2)+0.05[1.000-Qold(3,2)]

(I am grateful to Emilio Barone for pointing this out)

**Page 190, line 2**

Replace 0.05q by 0.05% times q. (I am grateful to Emilio Barone for pointing this out)

**Page 246**

In third equation replace 0.8276 by 0.7917 and in fourth equation replace 0.1724 by 0.2083

(I am grateful to Emilio Barone for pointing this out)