Errata

Eq.10.8 on page 373 should appear as follows:

$$PV_j = \frac{C_{jt} - \dfrac{\rho_{C_j, r_M} \sigma_{C_j}}{\sigma_M}(r_M - r_F)}{1 + r_F}$$

and the same expression should appear in the unnumbered equation that follows on the same page.

In the carry-over paragraph at the top of page 514 the last clause in the last sentence should read, "we can determine that each warrant should be worth ($19.167 - $15)/5, or $0.833."