Errata for An Introduction to Analysis of Financial Data with R,
R.S. Tsay, 2013, Wiley, ISBN: 978-0-470-89081-3.

Most recent update: September 18, 2015

1. Page 10, line 12, change "1000" to "1000/100".

2. Page 17, line 5 of Section 1.5: change $\ln(P_1)$ to $\ln(P_t)$.

3. Page 25, line 12: change $H_a : k - 3 \neq 0$ to $H_a : K - 3 \neq 0$.

4. Page 31, Figure 1.15, Caption: change "pots" to "plots".

5. Page 89, Table 2.5 should be move up to page 84 or page 85.

6. Page 93, Figure 2.17. In the plots, labels (b) and (c) should be labels (c) and (b). [This is a R output, the figures are arranged first in columns.]

7. Page 96, one line above Equation (2.42), change the summation to $\sum_{j=1}^{\infty} w^j = \frac{w}{1-w}$. Also, Equation (2.42) should be

$$\hat{x}_h(1) = (1 - w)[x_h + wx_{h-1} + w^2 x_{h-2} + \cdots].$$

8. Page 96, line -2, the equation should be

$$\hat{x}_h(1) = (1 - \theta)[x_h + \theta x_{h-1} + \theta^2 x_{h-2} + \cdots].$$

   Similarly, line -4, the equation should be

$$x_{h+1} = (1 - \theta)[x_h + \theta x_{h-1} + \theta^2 x_{h-2} + \cdots] + a_{h+1}.$$

9. Page 115, ***R Demonstration***.

   `Change "m2=lm(c3  -1+c1)" to "m2=lm(c3~-1+c1)".`

10. Page 161. First line of ***R Demonstration***. Change "m-unrate.tct" to "m-unrate.txt".

11. Page 168. The last commend of ***R demonstration***: Change "nm1 arima" to "nm1=arima". That is, the "=" sign is missing.

12. Page 203. Line 3 above Equation (4.19). Change 9.8526 to 0.8526.

13. Page 240. Problem 4, part (a), line 2, change "level" to "leverage".

14. Page 250. The first equation of $C(P_0)$. The summation is from $i = 1$ to N. That is, change $\sum_{i=1}^{T}$ to $\sum_{i=1}^{N}$.

15. Page 263. Line 8 above Section 5.5. Change "2515" to "252".

16. Page 296. Last line: The correct expression is $\ln\left(\frac{\lambda_{u,i}}{1-\lambda_{u,i}}\right) = 1.649 - 0.297S_{i-1}$.

17. Page 315, caption of Figure 6.19: Change volatilities "ate" to "are".

18. Page 328, line 7, change "Merry Lynch" to "Merrill Lynch".

19. Page 347, line 1, change 0.00801 to 0.00810. Also, the resulting VaR and ES are as follows:

    $\text{VaR}_{0.95} = 0.0124, \quad \text{ES}_{0.95} = 0.01757, \quad \text{VaR}_{0.99} = 0.02045, \quad \text{ES}_{0.99} = 0.02653.$

20. Page 347, line 5, $\text{VaR}_{0.95} = \$12{,}400$ and $\text{ES}_{0.95} = \$17{,}566$.

21. Page 348, R output for m22 should be

```
> m22=RMeasure(-0.0004112738,0.008100872,cond.dist="std",df=5.751)

 Risk Measures for selected probabilities:
      prob        VaR         ES
[1,] 0.9500 0.01240095 0.01756585
[2,] 0.9900 0.02045078 0.02652998
[3,] 0.9990 0.03456554 0.04298987
[4,] 0.9999 0.05421674 0.06640861
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22. Page 353, change $\ell = np$ to $\ell = nq$ in Equation (7.18) and 4 lines above it.

23. Page 369, Example 7.8, change $\hat{\alpha}_n$ to $\hat{\sigma}_n$ and $\hat{\beta}_n$ to $\hat{\mu}_n$.

24. Page 370, line 1, change "1%" to "5%".

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