
Most recent update: March 30, 2016

1. Page 13, last equation: change $E(a_t \otimes a_t)$ to $E(a_t a_t')$.

2. Page 19, the first equation should be

$$\left( \pi_0 - \sum_{i=1}^{\infty} \pi_i \right) \mu = c.$$

3. Page 20, Equation (1.21). Change $z_{t-1}$ to $z_{t-i}$.

4. Page 31, last equation: Change $\phi_b$ to $\phi_1$.

5. Page 35, Equation (2.10). Change $z_t$ to $z_t$.

6. Page 54, last equation $z_t = \cdots$. The (1,1)th element of AR(1) coefficient matrix should be 0.39 (not 0.38).

7. Page 89: The Omega matrices for the horizons 1 to 4 were obtained by the command:

   `VARpred(m1,4,Out.level=T)`

   where ”m1” denotes a VAR(2) model fitted to the GDP growth rates, in percentages.

8. Page 101, Problem 2.4: Change the file name `m-gpsavedi.txt` to `q-gpsavedi.txt`.

9. Page 155, line after equation (3.84). Change “re-sample” to “pre-sample”.

10. Page 163, line 7: change “if” to “is”.

11. Page 188, R Demonstration: Line –3, modify the command `dzt=diffM(zt)` to

    `zt[,1]=zt[,1]/1000; dzt=diffM(zt)`.

12. Page 195, Problem 3.2(c). Change the second $z_{t-1}$ of the model to $z_{t-2}$.

    In other words, the second term of the model should be $\phi_2^{(1)} z_{t-2}$.


15. Page 291, definitions of $g_1$ and $g_2$ of Eq. (5.58). Change $W_2^2(2)$ to $W_2^2(r)$ and $W_2(2)$ to $W_2(r)$.

16. Page 303, line 3 of Section 5.9.1. Change “Katarina” to “Juselius”.

17. Page 350, R Demonstration: Line 12, change `exgo` to `xt`.
18. Page 351. **R Demonstration** continues: Line 12, change `m2` to `m1`. That is, the command should read as `cov(m1$residuals)`.


20. Page 417. Line 2 after Equation (7.23). The number of constraints should be $2k^2 + \lfloor k(k + 1)/2 \rfloor$, i.e. the first coefficient 2 is missing.