

# FULL CHANGES

*In view of a new printing of:*

MATHEMATICAL FINANCE by J. Janssen, R. Manca, E. Volpe di Prignano

## 1) CHANGES OWING TO “ERRATA OF TABLE OF CONTENTS”

<i>page</i>	<i>§</i>	<i>errata</i>	<i></i>	<i>corrigé</i>
v	2.4	lawas	□	laws
vi	3.8	comound	□	compound
vi	4.4.3	propert	□	property
vi	4.4.7	Dicisional	□	Decisional
vi	4.5	numerical	□	numerical
vi	4.5.5	interation	□	iteration
vii	6.4	funcing	□	funding
vii	6.4.3	continuours	□	continuous
viii	6.8.4	probabiity	□	probability
ix	10.5.1	binominal	□	binomial
xi	13.8.2	differential	□	differential
xi	14.6.3	Excercises	□	Exercises
xiii	16.4.3	equatin	□	equation

## 2) CHANGES IN CHAP 9

page 382, row 9	D4, E4	<i>instead of</i>	C5, C6
page 384, row 2 after Table 9.3	D4, E4	<i>instead of</i>	C5, C6
page 394, row 10	<i>The formula becomes</i>		

$$\left[ \frac{\partial}{\partial Y} V(T, \underline{a}; Y) \right]_{Y=0} = \frac{1}{v(0, T)} \bullet_{k=1}^n a_k v(0, t_k)(T - t_k)$$

page 398, row 3 from bottom	$U_N$	<i>instead of</i>	$U_n$
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page 403, row 7	$t'$ before $\{t_k\}$	<i>instead of</i>	$t'$ just after $\{t_k\}$
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page 403, row 12	<i>replaced by:</i>	0, i.e. because (9.44)
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page 403, row 13	<i>replaced by:</i>	$\bullet_{k=1}^n t_k a_k e^{-\frac{t_k}{\theta} \int(0,u)du} = \bullet_{k=1}^n t_k b_k e^{-\frac{t_k}{\theta} \int(0,u)du}$
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page 403 and 404 *delete last six rows of page 403 and first two rows of page 404, replaced as follows:*

*Proof:* With reference to net amounts  $\underline{s} = \underline{a} - \underline{b}$ , the control that  $V(0, \underline{s}; Y)$  has a local minimum in  $Y = 0$  is required. Using (9.44) and  $t' = 0^+$  we have

$$V(0, \underline{s}; Y) = V(t', \underline{s}; Y) = \bullet_{k=1}^n (a_k - b_k) e^{-\frac{t_k}{\theta} \int(0,u)du} e^{-t_k Y}$$