

Note: These errors have been corrected in the 2006 reprint of the text

### Chapter 1: Introduction

- page 10: On Table 1.4 the four population numbers on row 1 (China) and row 3 (The West) are reversed; for example, in 1400 China's population was 74 million and the West's was 43 million; please switch the numbers in these two rows.

### Chapter 2: Production Possibilities

- page 26: 6th line from bottom: change \$1714 to \$1121  
 page 27: change 1945 to 1944 on graph and in the 2<sup>nd</sup> sentence of the graph's caption  
 page 32: replace the "+" with a "-" in equation (9); on the next line "the slope is  $-p_x/p_y$ "  
 page 37: 6th line from top, the range of x should read: " $0 \leq X \leq 3 \frac{1}{3}$ "  
 page 38: top of Figure 2.7 should read " $p_x = \$1.00$ " not " $p_y = \$1.00$ "  
 page 42: in line before equation (22) change "function" to "transformation function"  
 first line after equation (23) change "possibility" to "transformation"  
 page 46: lines 5 and 7, change "marginal rate of substitution" to "marginal rate of transformation"

### Chapter 3: Supply and Demand: Where to Prices Come From?

- page 56: question 7, Hint: change "equation 23" to "equation 25"  
 page 119, Item d should refer to "Figures 3.23 and 3.24"

### Chapter 4: Maximizing Satisfaction

- page 124: In equation (1) we need weak inequalities: " $X_j \geq 0, X_D \geq 0$ "  
 page 151: first line change "prices" to read "and prices (i.e.,  $p = 2$ )"  
 page 152: 7<sup>th</sup> line after figure caption change "4.8" to "5.7"  
 page 156: 2<sup>nd</sup> line of last bullet, change "(18, 6)" to "(18, \$18)"  
 The scale on the abscissa of Figure 4.17 has an error; it should be the same as on Figure 4.16; that is to say, we should have "0, 6, 12, 18, 24" instead of "0, 6, 8, 12, 24"  
 page 159: Equation (55) should have a "Y" instead of the "C" in front of the first = sign.  
 page 181: question 13, item a, its equation 24 not 25: "reduce to equation 24 of Chapter 4."  
 question 13, 2<sup>nd</sup> line of Note should read "linear in relative prices and real incomes"  
 2<sup>nd</sup> line of note, change "prices and incomes" to: "relative prices and real income"

### Chapter 5: The Business Enterprise: Theory of the Firm

- page 194: 2<sup>nd</sup> line, change "stockholders" to "owners"  
 page 201: 4th line from bottom: change "balance sheet" to "income statement"  
 page 204: Figure 5.4, The labels are reversed!! The curve going through point B is the marginal product curve.  
 page 211: line 2, should read " $\lambda = 2/3$ " and  $\lambda' = 1/3$ "  
 page 212: equation (11): replace "3" with "5" after the second equals sign.  
 page 213: Line two of Figure 5.9 caption, change numbers to read " $r = 5, w = 20$ , and  $\bar{K} = 8$ ."  
 page 215: First line after equation (22), please add parentheses to read " $-(dq/dp)(p/q)$ "  
 page 218: equation 27: replace the second "=" with "+".

### Chapter 6: Market Structure

- page 244: two lines above equation (13) replace "representative" with "ith"  
 page 247: replace "short" with "long" in the heading "How long is the long run"  
 page 252: first line, Replace " $S_n$ " with "S" before the first equal sign and place 3 dots after  $p^n$  but before the second equals sign to read " $p^n \dots =$ "  
 Near end of equation (32), change " $\leq$ " to " $<$ "  
 page 287: 2<sup>nd</sup> line of first 1911 para change "sugar" to "petroleum"

### Chapter 7: Distribution: Who Gets What?

- page 307: on 3<sup>rd</sup> line under Figure 7.4 change "substantial income" to "substantially more income"  
 page 311: just before the last brace in equation (3) change " $\partial p / \partial q$ " to " $dp/dq$ "  
 page 312: 2<sup>nd</sup> line after equation (8) replace "equation (3)" with "equation (3)\*"  
 page 315: in next to last line replace "208" with "209"  
 page 321: On table 7.3 add space in item #3 to change "#2+" to "#2 +"  
 Add following under table:  
 "Note: Each row reports for the specified income definition the average level of income and the distribution of income by quintiles."  
 page 322: line 5, change "for price level changes (i.e., indexed for inflation)" to "for wage inflation (i.e., adjusted for changes in an index of the average level of wages)"

- page 323: line before heading 7.4.2, change “lowers worker productivity.” to “lowers the rate of productivity growth.”
- page 325: 3<sup>rd</sup> line above Fig 7.9: change “In 1979 this tax” to “In 1979 this implicit tax”

### Chapter 8: Monitoring Economic Performance

- page 335: Change title from “five decades” to “eight decades”
- page 342: In box, re Labor Force Participation Rate change “proportion of the population” to “proportion of the non-institutional civilian population”
- page 348: First full paragraph, change “Census –X11” to “Census- X12” (This change must also be made in the list of key concepts on page 395 and in the index, p604)  
3<sup>rd</sup> line of fn 5: Change “ARMA” to “ARIMA”
- page 353: line 5, change 2001 to 2000 to read “dollars in 2000”
- page 357: Replace sentence starting on 9<sup>th</sup> line of historical note with “In Hungary’s post World War II hyperinflation, the price index climbed by  $3.81 \times 10^{27}$  in twelve months.
- page 367: last line before “New Products section – lower case on line but upper case exponents to read “ $p^F = (p^L \times p^P)^{1/2}$ ”  
Footnote 15, 3<sup>rd</sup> line, refer to “equation 39” not 40.
- page 369: footnote 18, line 5, change “late 1970s” to “1970s”
- page 379: 2<sup>nd</sup> line after equation 22, change “3.5%” to “3.5% after taxes”
- page 381: end of 5<sup>th</sup> line before figure: add a semicolon after period, “period;”  
Then replace the entire next line with “if M is the monthly mortgage payment, then  $M - iP_{t-1}$  will be available to pay off the loan. Therefore, the”  
2<sup>nd</sup> line before figure: change equation at beginning of line to  
“(1 + i) $P_{t-1} - M$ .”

### Chapter 9: GNP Accounting and the Multiplier

- page 416: Table 9.3, 3rd line, d should be a subscript, to read “ $\Delta Y_d$ ”
- page 418: 6<sup>th</sup> line of text, change “Table 9.3” to “Table 9.4”
- page 423: change “Alfred Kahn” to “Richard Kahn”
- page 429: 2<sup>nd</sup> line from bottom, change “0.1.1” to “1.1”
- page 431: change “on consumption” to “of consumption” in next to last line of last full paragraph

### Chapter 10: Money, Prices and Output

- page 443: 4<sup>th</sup> line of Comments column, change inequality to equal sign: “ $\partial Y/\partial d_0 < c_1$ ” to “ $\partial Y/\partial d_0 = c_1$ ”  
Change “M” to “ $M_1$ ” three times: Left end of 2<sup>nd</sup> line under Model C; Left end of 2<sup>nd</sup> line after Model D and in the Endogenous column of Model D.  
Change “W” to lower case, “w” in the endogenous column of Model F.
- page 447: insert “rate” in 4<sup>th</sup> line of caption of Table 10.3 to read “interest rate rises”
- page 466: 4<sup>th</sup> line from bottom, change “ $Y_n = 160$ ” to “ $Y_n = 360$ ”  
2<sup>nd</sup> line from bottom change “ $Y^n = 360$ ” to read “ $Y^n = 500$ ”
- page 469: Figure 10.7 caption, line 1 insert equal sign to read “ $v_1 = pY/M_I$ ”
- page 480: line above equation (25) insert to read “(22) and investment equation (7) into (4)”  
Add “ $c_0$ ” after the equal sign to read “ $= c_0 +$ ” in equation (25).  
Also insert the intercept “ $c_0 +$ ” into equation (26) to read “ $c_0 + c_1 d_0$ ” over the horizontal line
- page 487: Two lines above equation (27) change “(20)” to “(19)”
- page 496: 2<sup>nd</sup> line of exercise 4\* change “endogenous” to “exogenous”  
6<sup>th</sup> line of exercise 4\* change “model Exercise” to “model in exercise”

### Chapter 11: Economic Dynamics

- page 507: 8<sup>th</sup> line after *Critique*: Change 2<sup>nd</sup> comma to semicolon “high; and buying”

### Chapter 12: Growth and Development

- page 554: Revise the heading in middle of table from “GNP as percent of ...” to “GDP per capita as a percent of U.S. in 1998”
- page 563: In table 12.2, At beginning of first row change “(Y/H)” to “(Q/L)”
- page 585: Caption of Table 12.8, line 2, change “t-1” to subscript so as to read “ $R(F_{t-1})$ ”
- page 586: line 8 after equation (37), change “ $d\Delta F_t(F_{t-1})/dF_{t-1}$ ” to “ $dR/dF_{t-1}$ ”  
last line of same paragraph, change “ $\Delta F_t(F_{t-1})$ ” to “ $R(F_{t-1})$ ”
- page 591: last line of item 5: change “encourage excessively” to “encouraged excessively”
- page 599: Change the link on line 5 to  
<http://mlovell.web.wesleyan.edu/EconCalc/MoreCalcIntro.html>