Running List of Typos for Analyzing Financial Data and Implementing Financial Models Using R
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This page contains a running list of typos or errors found in my book. Should you find any typos or errors, please feel free to e-mail me at csa@cliffordang.com. Thank you.

1. **Page 60:** For consistency with the notation in Step 1, the first line of code under Step 2 could use an <- instead of an =. That is, instead of

   ```
   > IBM.ret$IBM.tot.ret=Delt(IBM.ret$IBM.Adjusted)
   ```

   we can also write

   ```
   > IBM.ret$IBM.tot.ret<-Delt(IBM.ret$IBM.Adjusted)
   ```

2. **Page 61:** The output reported at the top of the page should not be

   ```
   > options(digits=3)
   > IBM.log.ret<-IBM.log.ret[,2]
   > IBM.log.ret[c(1:3,nrow(IBM.log.ret)),]
              IBM.log.ret
   2010-12-31          NA
   2011-01-03     0.00487
   2011-01-04     0.00107
   2013-12-31     0.00620
   > options(digits=7)
   ```

   but instead the correct output should be

   ```
   > options(digits=3)
   > IBM.ret<-IBM.ret[,2]
   > IBM.ret[c(1:3,nrow(IBM.ret)),]
              IBM.tot.ret
   2010-12-31          NA
   2011-01-03     0.00488
   2011-01-04     0.00107
   2013-12-31     0.00622
   > options(digits=7)
   ```

*For spotting typos and errors, I would like to thank Dan Benton, Michael Crain, Marcus Hennig, and Wei Hu.

3. **Page 62:** At the top of the page, the code says

```
> IBM.log.ret<-data.IBM[,6]
> IBM.log.ret[c(1:3,nrow(IBM.ret)),]
           IBM.Adjusted
2010-12-31       139.23
2011-01-03       139.91
2011-01-04       140.06
2013-12-31       187.57
```

but should instead say

```
> IBM.log.ret<-data.IBM[,6]
> IBM.log.ret[c(1:3,nrow(IBM.log.ret)),]
           IBM.Adjusted
2010-12-31       139.23
2011-01-03       139.91
2011-01-04       140.06
2013-12-31       187.57
```

In addition, in Step 3, the sentence that starts with

We then clean up `AMZN.log.ret` . . .

should read

We then clean up `IBM.log.ret` . . .

4. **Page 71:** `AMZN.cum` in the box with heading "Verify Weekly Return Calculations" has not been created. To create `AMZN.cum` we can use the following:

```
> AMZN.acum <- Delt(data.AMZN$AMZN.Adjusted)
> names(AMZN.acum) <- "AMZN.tot.ret"
> AMZN.acum[c(1:3,nrow(AMZN.acum))]
           AMZN.tot.ret
2010-12-31           NA
2011-01-03  0.023444444
2011-01-04  0.004288351
2013-12-31  0.013778377
>
> AMZN.acum[1,1] <- 0
> AMZN.acum$GrossRet <- 1 + AMZN.acum$AMZN.tot.ret
> AMZN.acum[c(1:3,nrow(AMZN.acum))]
           AMZN.tot.ret GrossRet
2010-12-31  0.000000000 1.000000
2011-01-03  0.023444444 1.023444
2011-01-04  0.004288351 1.004288
2013-12-31  0.013778377 1.013778
```

```
>
> AMZN.acum$GrossCum <- cumprod(AMZN.acum$GrossRet)
> AMZN.acum[c(1:3,nrow(AMZN.acum))]
           AMZN.tot.ret GrossRet GrossCum
2010-12-31  0.000000000 1.000000 1.000000
2011-01-03  0.023444444 1.023444 1.023444
2011-01-04  0.004288351 1.004288 1.027833
2013-12-31  0.013778377 1.013778 2.215500
>
> AMZN.acum$NetCum <- AMZN.acum$GrossCum - 1
> AMZN.acum[c(1:3,nrow(AMZN.acum))]
           AMZN.tot.ret GrossRet GrossCum     NetCum
2010-12-31  0.000000000 1.000000 1.000000 0.00000000
2011-01-03  0.023444444 1.023444 1.023444 0.02344444
2011-01-04  0.004288351 1.004288 1.027833 0.02783333
2013-12-31  0.013778377 1.013778 2.215500 1.21550000
>
> AMZN.acum[c(6,11,15),]
           AMZN.tot.ret  GrossRet  GrossCum      NetCum
2011-01-07 -0.001990746 0.9980093 1.0305000  0.03050000
2011-01-14  0.017355684 1.0173557 1.0486111  0.04861111
2011-01-21 -0.024950539 0.9750495 0.9856667 -0.01433333
```

5. **Page 127:** Eq. (4.2) should say σ_1^2 and σ_2^2 instead of r_1^2 and r_2^2, i.e. Eq. (4.2) should be re-written as

$$\sigma_p^2 = w_1^2\sigma_1^2 + w_2^2\sigma_2^2 + 2\sigma_{1,2}w_1w_2.$$

   In addition, in the sentence that follows, replace "r_i is the return on security i" with "σ_i is the standard deviation of security i."

6. **Page 186:** In the last sentence, replace "248° of freedom" with "248 degrees of freedom."

7. **Page 190:** In the third sentence of the first paragraph in Section 5.6, the "2 weeks" should be "2 years," i.e., "Another common method is to use 2 years of weekly returns data."

8. **Page 263:** The last sentence on the page references a "3-Month Treasury Note." The "Note" should be replaced with "Bill."

9. **Page 264:** In the first sentence of Step 2, the reference to "2-Year" Treasury should be "3-Month" Treasury, i.e., "There are days on which both the 3-Month and 30-Year Treasury did not trade and, consequently, the data contains NAs on those days."