
- Page 13, Example 2.2, second paragraph should read "In addition, he says that there are other bundles different from $A$ and $D$ making him happier than $D$ does."
- Page 18, Example 2.5, last sentence should read "As in the case of $MU_x$, we find there that...".
- Page 19, Example 2.6:
  - First sentence after the displayed equation should read "which is negative for any positive amounts of goods $x$ and $y$."
  - Last sentence should read "for all positive values of $x$ and $y$."
- Page 22.
  - Line 4 should read "...than the horizontal intercept $9/5 = 1.8$ "
  - Line 7 should read "...where we have $y \simeq 1.33$."
- Page 23.
  - Second paragraph should refer to figure 2.5 rather than 2.3b.
  - Footnote 6, line 2, should read "...an indifference curve $y = \frac{10 + ax}{b} = \frac{10}{b} + \frac{a}{b} x$, which increases in..."
- Page 37, third line should read "...she is poorer than individual 2. In contrast, when individual..."
- Page 39, Exercise 7(a) should read "For a given utility level of 10, find the..."
- Page 41, Exercise 15, lines 3-4 should read "Relative to envy preferences in exercise 14, guilt preferences reduce Peter’s utility..."

2. Chapter 3.

- Page 46, last paragraph should read "At the horizontal (vertical) intercept, the consumer spends..."
- Page 50, previous to last sentence should read $u(x,y) = ax^2 - by$, where $a, b > 0$ and...
- Page 51, first sentence, immediately before Tool 3.1, should add "For simplicity, this chapter only considers utility function that produce strictly convex indifference curves (such as the Cobb-Douglas and perfect complements) or linear indifference curves (such as perfect substitutes)."
- Page 52,
  - Step 2a, after the displayed equation should read "...which yields $\frac{100}{33} \simeq 3.33$ units."
  - Step 4: at the end should read "...tangency condition $y = x \simeq 3.33$ units."
• Page 58. Example 3.4. The last ratio, at the end of the first paragraph, should read $\frac{L}{p_x}$ instead of $\frac{L}{p_x}$.
• Page 62. Example 3.5.
  - The second displayed equation should read
    \[ y = \left( \frac{100}{5} - \frac{4}{5} - \frac{1}{2} \right) - \frac{1}{5} x = \left( 20 - \frac{3}{5} \right) - \frac{1}{5} x = \frac{94}{5} - \frac{1}{5} x \quad \text{for all } x > 2. \]
  - The previous-to-last line in example 3.5 should read $-0.2$, thus becoming flatter...
• Page 64: At the middle of the page, equation $\frac{\partial L}{\partial y}$ should read
  \[ \frac{\partial L}{\partial y} = MU_y - \lambda p_y = 0, \quad \text{and} \]
• Page 67.
  - Step 2a, second line should read "from step 1, $y = x$, in the constraint..."
  - Example 3.8, second line should read "utility from example 3.3,..."
• Page 68, Step 2a, fourth line should read "we obtain $y \approx 1.08$ units."

3. Chapter 4.

• Page 81, figure 4.2b (right panel) should be have an inverted-U shape: first increasing with income, then decreasing with income.
• Page 94. Self-assessment 4.9, close to the end of the page, should read "... utility function is $u(x, y) = 3x^{1/2} + 4y$, her income is...".
• Page 96, last paragraph, second line should read "...to the decomposition bundle $B$, $L_B - L_A$, whereas the income effect..."
• Page 101, line 4 should read "...$\approx -5.55$ units."
• Page 102, exercise 3(b) should read "Find the new demand function for each good."
• Page 103, exercise 8, last sentence should read "...and income effects from this price change."


• Page 132, Example 6.3: Please remove the $\$ sign inside the square roots.
• Page 134, footnote 4, line 2, should read "... positive for all income levels $I > 0$."
• Page 136, footnote 6, line 2: should read "which is positive for all $I > 0$, implying that..."
• Page 136, footnote 6, line 3, should read "which is also positive for all $I > 0$, thus indicating..."
• Page 145.
  - Line 3, please remove the $\$ sign inside the square roots.
  - Example 6.11. The sentence after the first displayed equation of the example should read
    "which simplifies to $\sqrt{\$3,000} > \frac{6}{17} \sqrt{\$4,000}$, or $54.77 > 54.21$. In addition, lottery $D$ is preferred to $C$ in Choice 2. Assuming that $g(x) = 2$, as in previous examples, but $g(y)$ now increases to $g(y) = 9$, we find that lottery $D$ is preferred to $C$ if and only if
    \[ \frac{9 \times 0.2}{(9 \times 0.2) + (2 \times 0.8)} \sqrt{\$4,000} + \frac{2 \times 0.8}{(9 \times 0.2) + (2 \times 0.8)} \sqrt{\$0} > \frac{9 \times 0.25}{(9 \times 0.25) + (2 \times 0.75)} \sqrt{\$3,000} + \frac{2 \times 0.75}{(9 \times 0.25) + (2 \times 0.75)} \sqrt{\$0} \]
    which simplifies to $\frac{9}{17} \sqrt{\$4,000} > \frac{3}{5} \sqrt{\$3,000}$, or $33.48 > 32.86$. Therefore, the experimental observations..."
5. Chapter 7.

- Page 156, Example 7.1, end of second paragraph should read "...level of $1 - 0.77 = 0.23.""
- Page 170, third line, should read "...vertical line because ratio $\frac{q}{a}$ is not a function..."
- Page 171, immediately before the first displayed equation, should read “In addition, the slope of the isoquant...”

6. Chapter 8.

- Page 187. Immediately before Tool 8.1, should read "This tool applies to production functions that generate strictly convex and linear isoquants."
- In page 190, “this input demand”, in the middle of the page, should read “these input demands”.
- In page 191, at the bottom of the page (immediately before Self-assessment 8.5), the in-line equation should have ratio $\frac{q}{a}$ rather than $\frac{a}{q}$.
- In Example 8.7 (page 194), the in-line equation $4r < w$ should read $r < 4w$ everywhere it shows up. Similarly, the inequality $4r > w$ should read $r > 4w$ everywhere. These two changes apply to Example 8.7 and all subsequent examples in this chapter.
- In Example 8.10 (page 201), the displayed equation at the top of the page should read

$$\varepsilon_{TC,a} = \frac{\partial TC}{\partial q} = \frac{r}{8} \frac{q}{r} = 1$$

The paragraph following this equation should read "which means that, if the firm seeks to produce 1 percent more units of output, its total costs increase by exactly one percent. (A similar argument applies if input prices satisfy $4r > w$, where $TC = w\frac{q}{2}$, where output elasticity also becomes $\varepsilon_{TC,q} = 1$, which we leave for the reader as an exercise.)"


- Page 224. Example 9.5. Second line in the last paragraph should read "...price of $p = \$1.32 at $N = 61.62$ firms.""
- Page 229. Second displayed equation has a missing $-$ sign, so it should read $-5 + 4q = \frac{5}{q} - 5 + 2q$. The remaining calculations in Example 9.4 are correct.
- Page 239, last displayed equation. Its last term should read $2 \times 2$ (as in two times two) in the denominator, rather than $2p_1$.


- Page 248.
  - Seventh line should read "implying that the total cost of a single firm producing $q$ units is lower than that of two firms that together produce $q$ units, that is, $TC(q) < TC(q_1) + TC(q_2)$, where $q = q_1 + q_2$."
  - Footnote 1 should read "For instance, if $TC = 100 + 2q$, the cost of producing $q = 10$ units by a single firm is $TC(10) = 120$, whereas the aggregate cost of two firms producing 5 units each is $TC(5) + TC(5) = 110 + 110 = 220$. A similar argument applies to firms with total cost function of the form $TC(q) = a + bq$, where $a, b > 0$, since the aggregate cost of two firms producing $\frac{q}{2}$ units each is $TC\left(\frac{q}{2}\right) + TC\left(\frac{q}{2}\right) = (a + b\frac{q}{2}) + (a + b\frac{q}{2})$, which simplifies to $2a + bq$, which is larger than the total cost of a single firm producing $q$ units, $TC(q) = a + bq$."
- Page 261. The second displayed equation should have $(q_1 + q_2)$ multiplied times the second term, so it should read $p(q_1, q_2) + \frac{\partial p(q_1, q_2)}{\partial q_2}(q_1 + q_2) = \frac{\partial TC_1(q_1)}{\partial q_1}$. A similar comment applies to the third displayed equation, which should read $p(q_1, q_2) + \frac{\partial p(q_1, q_2)}{\partial q_2}(q_1 + q_2) = \frac{\partial TC_2(q_2)}{\partial q_2}$.
9. Chapter 11.
   - Figure 11.2, in the middle of the horizontal axis, the label should read $q^{FD} = q^{PC}$.

10. Chapter 12.
   - Page 297, first line should add a space so it reads "...in economics, a discussion..."
   - Page 298 should read "we consider an scenario"
   - Page 299, second paragraph, second sentence, should read "...this requires that every player maximizes his utility and that he knows the rules of the game..."
   - Page 300, last paragraph should read "When strategy $s_i$ strictly dominates every other strategy $s'_i$, we say that..."
   - Page 301. Tool 12.1, fix the step numbering.
   - Page 316, last paragraph, should read "have a NE" rather than "have an NE" in both instances.
   - Page 320, immediately after the last displayed equation should read "...when the goalie dives left..."
   - Page 320, last paragraph should read "Do all games have a msNE with at least one player randomizing her strategies? Not necessarily..."
   - Page 321, last line of the first paragraph should read "... or a msNE)."

   - Page 336, last paragraph should read "...the smallest subgame that we can circle is the one initiated after...". The end of this paragraph should read "Circles that break firm 2's..."

   - Page 357.
     - In the first displayed equation, percentages are omitted. The equation should read
       \[
       HHI = \left( \frac{100}{1,000} \right)^2 + \left( \frac{100}{1,000} \right)^2 + \ldots + \left( \frac{100}{1,000} \right)^2 \\
       = 1,000 \left( \frac{100}{1,000} \right)^2 = 10.
       \]
     - Similarly, in the same page, for an industry with $N \geq 1$ firms, the second displayed equation should read
       \[
       HHI = \left( \frac{100}{N} \right)^2 + \left( \frac{100}{N} \right)^2 + \ldots + \left( \frac{100}{N} \right)^2 \\
       = N \left( \frac{100}{N} \right)^2 = \frac{10,000}{N},
       \]
   - Page 361, first displayed equation, second line. Number 2 in the numerator should be deleted.
   - Page 362.
First displayed equation should read:

\[ p^* = \frac{a}{3b} \left( \frac{a - c}{3b} - \frac{a - c}{3b} \right) = a - \frac{2(a - c)}{3b} = \frac{a + 2c}{3} \]

Last sentence immediately before example 14.1 should read "This can be alternatively expressed as \( \pi_i^* = b(q_i^*)^2 \)."

Page 366.
- First line should read "...two firms produce a homogeneous good..."  
- Paragraph 1(a), fifth line should read "...where \( \varepsilon \to 0 \) indicates a small reduction..."  
- Footnote 7 should add the following sentence at the end "Generally, the small price reduction, \( \varepsilon \), requires that \( \varepsilon < p_2 - c \) to ensure that firms do not make a loss. Then, extremely small price reductions, \( \varepsilon \to 0 \), satisfy this requirement."

Page 367.
- Second line, the in-line equation should read "\( p_2' = p_1 - \varepsilon \), where \( \varepsilon \to 0 \) is a small number..."  
- Last paragraph should read "...by a small amount, \( \varepsilon \), so that \( p_1 = p - \varepsilon \), where \( \varepsilon \to 0 \)."

Page 368.
- Figure 14.6, its top label should read \( p \), rather than \( q_i \).
- Example 14.3, sixth line, should read "\( Q = 12 - c \)" rather than \( Q = 12 - c \).

Page 370.
- Last displayed equation should not have star symbol, so it starts with "\( i \) = ".
- The last sentence of example 14.4 should read "...were only \( \pi_i^* = \frac{54}{7} \simeq 7.11 \)."

Page 373. Self-assessment 14.6, second line should read "...during each of the two periods before the..."  
Page 374. Second displayed equation should read \( a - bq_1 - 2q_2 - c = 0 \).

Page 376.
- Example 14.7 should be numbered Example 14.6.
- The last paragraph of this example should read "...for the leader, \( q_1^* = 4 \) units, which entails \( q_2^* = \frac{1}{2} = 2 \) units for the follower. In this scenario,..."

Page 378. Last line should read "...in equilibrium output, \( q_i^* = q_j^* = q^* \), which yields..."

Page 379. Example 14.8 should be numbered Example 14.7.

Page 380, last paragraph before the last displayed equation should read "Rearranging this, we find \( c - q_1 - bQ_{-1} = 2bq_i \)."

Page 382, Duopoly section, paragraph after the displayed equation should read "...and equilibrium price becomes \( p^* = \frac{a + 2c}{3b} = \frac{1}{2q_1 - c} \), which also..."

Page 386. Exercise 13, fourth line should read "...during each of three periods before the..."

13. Chapter 15.

- Page 395, previous to last paragraph should read "...are parallel to each other, but \( q_i(t) \) originates at..."
- Page 397, last paragraph should read "...yields an expected profit equal to..."  
- Page 399, point 3(c), first line should read "If the highest competing bid \( h_i \) lies above \( b_i \) (see case 3c in figure 15.2), bidder \( i \) loses, earning a zero payoff."

- Page 423, fourth line should read "...high effort become..."
- Page 424, previous to last paragraph should read "...the positive effects offset..."
- Page 430.
  - Second line should read "if \( \frac{3}{4} - p \geq 0 \), or \( p \leq \frac{3}{4} \). In this scenario, the seller's..."
  - The second expression in the second displayed equation, \( PC \), should read "subject to \( p \leq \frac{3}{4} \)."
- Page 432, fourth line should read "..."