Corrections to the Second Edition of 2004

p.34, last line: Figure 1.20 (and not 1.19)

p.66, Theorem 2.9: Assertion (a) requires $h' > 0$.

p.166, last line of Section 5.3: replace by: of the finite-difference approach.

Appendix A4, second-last line before Cholesky decomposition: correct is *tridiagonal* (and not *triangular*).

p.186/p.193 in Fig. 6.2/6.5: $K = 13$

p.212, for the greek Δ of a European option the factor $\mathrm{e}^{-\delta(T-t)}$ is lost; correct is

$$\begin{aligned} \Delta &= \mathrm{e}^{-\delta(T-t)}\, F(d_1) \qquad && \text{for a European call,} \\ \Delta &= \mathrm{e}^{-\delta(T-t)}\, (F(d_1) - 1) && \text{for a European put.} \end{aligned}$$

p.212, last formula: replace t by τ

last change: 13 August 2007