

Errata in *Making Hard Decisions*, 2nd Edition

With each new printing we have corrected the errors that we've found up to that time. The errata listed below are listed in sections according to the printings in which they occur.

Which printing do you have? Look on the copyright page. About halfway down are two lines that look like this:

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Printed in the United States of America  
2 3 4 5 6 7 8 9 10
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The leading number in the second of these two lines indicates the printing of the particular volume you hold. For example, the lines shown above indicate that the volume is a second printing.

I. Errors in the first printing (corrected in the second printing):

1. Page 376, second and third paragraphs between the two equations should read:
As before, we will let b_0 , b_1 , b_2 , and b_3 denote the estimates of the corresponding β coefficients. Analogous to the one-variable version of the problem, we can calculate expected Sales, given the values of the conditioning variables. In turn, we can calculate the residual by subtracting the expected sales calculation from the actual sales for that observation. And, as before, we want to specify the b 's so that the sum of the squared residuals is minimized. Accomplishing this is just a slightly more general version of the one-variable problem described above.

The same computer program used for the one-variable problem can be used here. Figure 10.20 shows the Excel screen with the results of the regression analysis with all three conditioning variables. As before, b_0 , b_1 , b_2 , and b_3 are in the column labeled "Coefficients." With these values, we can now write out the formula for expected Sales, given the three conditioning variables"

2. Page 382, first two lines of the second paragraph should read:

Another way to view this problem is to realize that a small number of observations means that we cannot be very sure that the b 's are accurate or reliable estimates of the β s. When we use the b 's to calculate the conditional expected value, however, we are in essence assuming that the b 's are good estimates and that virtually all of the uncertainty in the response variable comes from the error term.

II. Errors in the first and second printings (corrected in the third printing):

1. Page xxiii, paragraph 4, last sentence. Change "Section's web page" to "Society's web page."
2. Page 11, Under Case Studies, third line. "Attorney General Dr. Joycelyn Elders" should be "Surgeon General..."
3. Page 46, paragraph 4, last line. Change "the downstream means" to "the upstream means."
4. Page 54, paragraph 1, third line. Change "associated with B may be" to "associated with C may be."
5. Page 62, paragraph 2, line 6. Change "The pricing decision and uncertainty about sales are clearly related to the revenue side, while uncertainty about fixed and variable costs are clearly on the cost side." to "The pricing decision is clearly related to the revenue side, uncertainty about fixed and variable costs are clearly on the cost side, and uncertainty about sales is related to both."

6. Page 62, Figure 3.16. Add arrow from “Units Sold” to “Cost” and add the word “Unit” before “Variable Cost.”
7. Page 67, paragraph 1, line 3. Insert “unique” between “This question presuppose that a” and “correct diagram exists.”
8. Page 99, line 2. Change “Matzkevich and Abramson (1994)” to Matzkevich and Abramson (1995).”
9. Page 135, last line. Spelling correction: “scolastic” should be “stochastic.”
10. Page 159, Figure 5.1. Boxes indicated should be rectangles with SQUARE corners, NOT rounded corners.
11. Page 164, Figure 5.4. Add two points (dots): one at the end of the arrow, the second just to the left of “C.”
12. Page 218, paragraph 3, line 2. Spelling correction: “knwon” should be “known.”
13. Page 239, line 7. Add parenthesis after “ x_f ,” delete parenthesis after “ P_A ”
14. Page 257, Problem 7.35. Change “strategy-region” to “two-way sensitivity analysis.”
15. Page 286, first line. Change “assessment is this way” to “assessment in this way.”
16. Page 336, Model 9.5 d. Change “ \leq ” in last line first equation to “ $=$.”
17. Page 345, first line. Should read “the variable $Q = \sum_1^{200} X_i$.”
18. Page 370, paragraph 2, line 4. Insert “sum of the” between “that minimizes the” and “squared vertical distances.”
19. Page 402, Problem 10.14, paragraph 2, line 1. Change “20” years to “19” years.
20. Page 469, paragraph 4, last line. Change “risk stock must be less that \$500” to “risk stock must be less than \$500.”
21. Page 484, paragraph 2, line 5. Change “counterbalanced by a 35% chance” to “counterbalanced by a 30% chance.”
22. Page 494, Problem 13.25 line 2. Change “because it contains both a linear” to “because it contains both linear.”
23. Page 535, Figure 15.3. Point A should be at (7,15), not (6,15).
24. Page 538, paragraph 2. Change the two “ U_p ” to “ U_P .”
25. Page 543, line 10. Change “approximations” to the singular “approximation.”
26. Page 546, line 9 of the equations. Delete parenthesis at the end of equation. “ $+ 0.613k_s$.”
27. Page 577, line 3. Change “We also discuss briefly how a deal with” to “We also discuss briefly how to deal with.”
28. Page 578, line 2. Change “we have see before” to “we have seen before.”

29. Page 593, paragraph 2 line 10. Insert “to” between “necessary” and “model extremely complex.”
30. Page 611. The toll-free telephone number for @RISK and Best Fit is (800) 432-7475.
31. Page 611. The address for Crystal Ball has changed. The correct address is:
Decisioneering, Inc.
2530 S. Parker Road
Suite 220
Aurora, CO 80014
(800) 289-2550

III. Errors in the first, second, and third printings (corrected in the fourth printing):

1. Page 48, Figure 3.4. Italicize the following: “Use Low-Cost Intern,” “Maximize Intern’s Ability to Assist Senior Employee,” “Maximize Intern’s Energy Level,” “Maximize Intern’s Ability to Teach and Demonstrate New Techniques,” and “Establish Link with Local College.”
2. Page 256, line 1. Change the first word from “if” to “is.”
3. Page 277, Figure 8.9. The dots on the curve should line up with 0.05, 0.25, 0.50, 0.75, and 0.95 on the vertical axis.
4. Page 537, paragraph 2, line 3. Change “though” to “through.”
5. Page 537, paragraph 3, line 2. Change “best overall outcomes” to “best conceivable outcomes.”
6. Page 582, equation box. Change last equation to: $k_Y = U(x^-, y^+)$.

IV. Errors in the first, second, third, and fourth printings (corrected in the fifth printing):

1. Page 23, Figure 2.1. Change “Price” to “Cost.”
2. Page 480, next-to-last line. Change “\$11,736” to “\$9644.”
3. Page 481, Figure 13.13. Change “EMV = \$11,736” to “EMV = \$9,644.”
4. Page 482, Figure 13.14. Replace the spreadsheet with the following figure:

Eagle Risk Sensitivity.xls				
	A	B	C	D
16	EAGLE AIRLINES RISK SENSITIVITY			
17				
18	R= 14240			
19				
20		M		
21	14200	M		
22	14210	M		
23	14220	M		
24	14230	M		
25	14240	M		
26	14250	S		
27	14260	S		
28	14270	S		
29	14280	S		
30	14290	S		
31	14300	S		
32	14310	S		
33	14320	S		
34				

5. Page 482, paragraph 2, lines 1, 3, 5, and 6. Change “\$10,250” to “\$14,240.”
6. Page 482, paragraph 2, line 3. Change “\$5125 ” to “\$7120.”
7. Page 557, fourth line below the first equation. Change “0.13” to “0.12.”
8. Page 558, paragraph 2, line 2. Change “70.02 to “70.22.”
9. Page 558, paragraph 3, last line. Change “70.02 to “70.22.”
10. Page 558, paragraph 5, line 5. Change “\$5.72 to “\$2.72.”
11. Page 558, paragraph 5, last line. Change “\$388,851” to “\$184,908.”
12. Page 559, Table 15.7, row 3. Change “70.02 to “70.22.”
13. Page 559, last line. Change “... less than the \$388,851 ...” to “... greater than the \$184,908 per point ...”
14. Page 560, paragraph 1, line 10. Change “\$388,851” to “\$184,908.”
15. Page 560, paragraph 1, line 12. Change “\$388,851” to “\$184,908.”

V. Errors in the first through fifth printings (corrected in the sixth printing):

1. Page 23, Figure 2.1. Under “User Needs,” the last item should be “Mean Time between Failures.”
2. Page 119, Seventh line from the bottom. Change “55%” to “58.5%.”

3. Page 348, Line 7. Change “ $4m$ ” to “ $-4m$.”
4. Page 373, Table 10.4, line 26, column 2. Change “106666” to “10666.”
5. Page 373, Table 10.4, line 33, column 5. Change “11889” to “1188.”

VI. Error in the first through sixth printings (corrected in the seventh printing):

1. Page xxiii, line 4. Change “other” to “others.”

VII. Errors in the first through seventh printings (corrected in the eighth printing):

1. Page 73, Figure 3.31. In the lower part of the tree, “Stock Prices Following Month” should be a circle (chance node), and the second “Trades” should be a square (decision node).
2. Page 229, 4th line below the first box. Change “It if” to “If it.”

VIII. Errors in the first through eighth printings (to be corrected in the ninth printing):

1. Page 135, second line from the bottom: “Independence” is misspelled.
2. Page 150, line 8 from the bottom. Change 125 to 150.
3. Page 297, last equation. Change the “=” sign in the numerator to a “+” sign.
4. Page 559, Site 3 in Table 15.7. The cost should be 24.48.