

ERRATA
Probability for Risk Management
Second Edition
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Page 29

The sentence after Definition 2.5 should refer to the Multiplication Principle rather than the Counting Principle.

Page 32, Technology Note

In line 4, 3! Should be 7!.

Page 57, Example 3.12

Line 3 should be:

$$P(1) = .9670 \qquad P(2) = .0311 \qquad P(3) = .0019$$

Line 7 should be:

$$P(M) = .0311 + .0019 = .0330$$

Last line should be:

$$P(M \cap 2) = P(2) = .0311$$

Page 58

Line 2 should be:

$$P(2 | M) = \frac{P(2 \cap M)}{P(M)} = \frac{.0311}{.0330} \approx .942$$

Page 87, Example 4.5

Probabilities should be:

$$P(1) = .9670 \qquad P(2) = .0311 \qquad P(3) = .0019$$

Page 91

In the Solution to Example 4.12, in the third and fourth lines after the centered equation, the phrase “winning exactly once” should be “winning at least once” in both places.

Page 125

In the table at the bottom on the right side (under hypergeometric distribution) the sample size should be n and the subgroup size r .

Page 160

First sentence of section 6.2.9; in the left side of the equality, change t to 0 , to get

$$M_X^{(n)}(0) = E(X^n)$$

Page 191, first line of text.

The defining equation reference should be 7.9, not 7.10.

Page 246, Exercise 8-26.

The last term in the cost of treatment in the hospital formula should be $5X^2$.

Page 340

At the end of line 3 there should be one more $)$ parenthesis before the final $]$ parenthesis.

Page 348

Last line before the last box on the page should read $5+7+8 = 20$ (not $5+7+8+20$).