To be fair to all candidates, CFA Institute does not respond directly to individual candidate inquiries. If you have a question concerning CFA Program content, please contact CFA Institute (info@cfainstitute.org) to have potential errata investigated. Corrections below are in **bold** and new corrections will be shown in **red**.

The short scale method of numeration is used in the CFA Program curriculum. A billion is $10^9$ and a trillion is $10^{12}$. This is in contrast to the long scale method where a billion is 1 million squared and a trillion is 1 million cubed. The short scale method of numeration is the prevalent method internationally and in the finance industry.

**Volume 1**

- **Reading 5**: In calculating the size of annuity payments (bottom of p. 282), the equation was printed showing incorrect separation between numerator and denominator. The **numerator is PV and denominator is** $1 - [1/(1+r)^N]/r$.
- **Reading 6**: In Solution 6.A (p. 332), the calculation of Outflows should solve to $23,445$ instead of $23,455$.
- **Reading 7**: The calculation of “Portfolio return for 2000” (p. 363) should show $(10.3)$ instead of $(1.03)$. The final solution is correct as given.
- **Reading 8**: Solution 10.A (p. 479) should show $0.05(180)$ instead of $0.50$. The final solution is correct as given.
- **Reading 11**: In the paired observations formulating null and alternative hypothesis (p. 601), the third pair should show $H_a: \mu_d < \mu_0$ (i.e., $<$ instead of $>$).

**Volume 2**

- **Reading 13**: In the end-of-reading Practice Problems, **delete questions 7 through 9** (p. 57) and their solutions (p. 60). They do not apply for this reading.
- **Reading 17**: There are a number of clarifications for this reading:
  - The first line of Exhibit 8 (p. 220) should show **Imports of 2,117,245** and **Balance of –840,251** for the segment “Total, all countries.” For France, the **Balance** should be **–15,433**.
  - Candidates should treat Example 3 (p. 224) and Example 4 (p. 228) as independent and use the deficit figure as given in each example.
  - In the first line of Solution to 4 (p. 238), **price level increases to 1.1** (instead of 1.2).
  - In Problem 11 (p. 281), **delete Statistical discrepancy and 0.5** from the data table and change **option B to 22.6 and 21.1**. In the solution (p. 285), the final equation should read $GDP – CCA = 22.6 – 1.5 = 21.1$ (i.e., remove Statistical discrepancy of 0.5).
- **Reading 18**: Example 14 (p. 325) currently provides two correct solutions. Therefore, make the following edits:
  “Which of the following is **not** a problem **true** about NARU and NAIRU? …
  B is correct. The NARU and NAIRU may change over time. A is **incorrect** … C is incorrect because those rates determine when an economy will experience bottlenecks in the labor market.”
  
- **Reading 19**: There are a number of corrections in this reading:
  - In the fifth line from the bottom of p. 358, **insert “not”** in the parenthetical statement: (so long as inflation did **not** exceed 2 percent).
  - In the first line below Exhibit 9 (p. 373), **change developing to “developed”** economies.
  - On p. 388, in the eighth line from the bottom of the page, make the following edit: “… act as automatic stabilizers that would reduce the growing budget surplus **increasing budget surplus or reducing budget deficit**.”
Volume 3

- **Reading 23**: In Exhibit 2 (p. 45), “Minority Interest” should be listed in the Owners’ Equity section instead of the Liabilities section.

- **Reading 25**: In the Solution to 20 (p. 209), the number of *options exercises should be 10,000* (instead of 100,000).

- **Reading 29**: In the question stem of Practice Problem #19 (p. 419), insert “purchased” before finished goods.

- **Reading 32**: In the last line of the second paragraph of Solution to 2 (p. 519), the premium at issuance should be *£44,518* (instead of £44,158). In the calculation of Ericsson’s Debt-to-capital for 2008 (p. 553), change 21,320 to 24,939 in the denominator.

- **Reading 35**: In Exhibit 9 (p. 635), data in the Capital Lease columns were updated but Operating Lease columns were not; therefore, operating lease data does not match that provided in the previous exhibit. The required understanding is not affected by this error, however. Candidates should use the numbers in Exhibit 9 and do any subsequent calculations as though the data are correct.

Volume 4

- **Reading 40**: In Solution 7 (p. 188) the second line of the calculation for commercial paper cost should show *multiplication by 12* instead of 1/12.

- **Reading 44**: In the paragraph below Exhibit 9 (p. 377), change “… which indicates that ¥Z has done a better job of generating excess return …”

Volume 5

- **Reading 49**: Candidates should *disregard footnote #11* on page 161.

- **Reading 51**: In the solution to Practice Problem 4 (p. 291), “Both EV and *FCFE Price to free cash flow* are forms of multiplier models.”

- **Reading 54**: In Example 5, part B (p. 412), the calculation of the Flat price should show 99.988918.

- **Reading 55**: There are a number of edits to this reading:
  - In the second line on p. 473, delete “above”: “… if a bond is sold at a price *above* below its constant-yield …”
  - In Equation 1 (p. 478), the denominator of the first term should show *(1 + r)* instead of 1−r (plus instead of minus).
  - In the calculation of %ΔPVFull immediately above Example 13 (p. 502), the modified duration value should be −29.498 (instead of −29.458) for a final solution of 0.029939.
  - In the Solution to Example 14 (p. 505), change “approximate modified convexity” to “*approximate convexity*” (i.e., delete modified) in two places in the solution text.

- **Reading 56**: In the seventh line of text below Exhibit 4 (p. 540), bonds rated *BB+* or lower (instead of BB−) by S&P and Fitch have speculative credit characteristics. At the top of p. 572, the calculation of Return impact should equal −0.048825 or −4.8825 percent. *Delete practice problem #7* and its solution; this problem is no longer assigned.