

Book 1

Pages 212, 213: Correction

Module Quiz 7.3 questions 2 and 3 should specify that the regressions are based on 36 observations. The table of estimated coefficients in question 2 is also used for question 3. (Updated August 29, 2022)

Book 2

Pages 199, 208-209: Correction

Please **replace question #1 in Module Quiz 23.3** with the following:

This year, Metcalf Corp. purchased machinery for \$800,000 and recorded depreciation of \$40,000. If Metcalf uses the revaluation model, what amount is recognized in net income this year if the machinery's fair value (on the first revaluation date) at year end is \$810,000?

- A. Zero.
- B. \$40,000.
- C. \$50,000.

A As there has been no previous downward revaluation, the entire increase in value above the carrying value of $800,000 - 40,000 = \$760,000$ is taken directly to equity as a revaluation surplus and not recorded on the income statement.

(Posted August 22, 2022)

Book 3

Page 82: Correction

In Module Quiz 34.1, Question #3 should read as follows: "Which of the following statements about Modigliani and Miller's Proposition II with no taxes is most accurate?" (Posted August 29, 2022)

Book 4

Page 182: Correction

In the equation that follows the first paragraph on page 182, the two interest rates should be 0.015 and 0.013, and the result should be \$992.56. (Posted July 27, 2022)

Page 202: Correction

In Figure 55.1, the minimum value for a European put should read as follows:

$p_t \geq \text{Max}[0, X(1 + R_f)^{-(T-t)} - S_t]$ (Posted September 7, 2022)

Book 5

Page 185: Correction

In the second paragraph for LOS 72.c, the last sentence should read: "All fee-paying discretionary accounts managed by the firm must be included in at least one composite." (Posted July 27, 2022)