

CORRIGENDUM

Information and Learning in Markets by Xavier Vives

The following corrections have to be made:

On pages 96-97, last line and continuation should read:

In those cases, in terms of ETS, the team and the market solutions coincide. Both for the team and the market solutions, when $\tau_u = 0$, $E[(p - MC_i)z] = 0$ implies that $c = 1/(\beta + \lambda)$ and ETS is infinite, and when $\tau_\varepsilon = 0$ we have that $a = 0$ and $c = 1/(\beta + \lambda)$.

On page 140, the last line should include the following equation:

$$“\gamma_U = \frac{-a}{\rho_U [\delta^2 \sigma_u^2 + a^2 \sigma_\varepsilon^2]} (1 + aE),”$$

On page 193, in line 4 from the top of the fourth full paragraph it should read “ $(1 - G(u))/g(u) = \mathcal{G}(1 - u)$ ” instead of “ $(1 - G(z))/g(z) = \mathcal{G}(1 - u)$ ”.

On page 214, in line 4 from the bottom of the text it should read: “Furthermore, $K = 3\tau_u \tau_\varepsilon^2 K^{-2} \dots$ ” instead of “Furthermore, $K = \tau_u \tau_\varepsilon^2 K^{-2} \dots$ ”.

On page 302, in line 5 of the second full paragraph it should read “...demand function becomes positive” instead of “...demand function becomes negative” and in line 5 of the third full paragraph it should read “...demand function becomes negative” instead of “...demand function is positive”.

On page 310, in line 8 of the fourth full paragraph it should read “...that if $\theta < \theta_L$, then it is a dominant strategy to act; if $\theta > \theta_H$...” instead of “...that if $\theta \leq \theta_L$, then it is a dominant strategy to act; if $\theta \geq \theta_H$...”.

On page 311, after the centered equation it should read “for $\theta \geq \theta_L$ and $h(\theta) < 0$ otherwise.” instead of “for $\theta \in [\theta_L, \theta_H]$ and $h(\theta) = m$ for $\theta \leq \theta_L$.”.

On page 312, the equation after the fourth paragraph should read “ $\varphi(\theta^*; \gamma, \bar{\theta}) \equiv \tau_\theta (\theta^* - \bar{\theta}) - \sqrt{\tau_\varepsilon} \Phi^{-1}(h(\theta^*)) - \sqrt{\tau_\theta + \tau_\varepsilon} \Phi^{-1}(\gamma) = 0$ ” instead of

$$“\varphi(\theta^*; \gamma, \bar{\theta}) = 0 \equiv \tau_\theta(\theta^* - \bar{\theta}) - \sqrt{\tau_\varepsilon} \Phi^{-1}(h(\theta^*)) - \sqrt{\tau_\theta + \tau_\varepsilon} \Phi^{-1}(\gamma) = 0”.$$

On page 313, in line 5 of the second full paragraph, the phrase in parenthesis “(with equality only when $h(\theta) = \frac{1}{2}$)” should be deleted.

On page 341, in line 8 of the first full paragraph the equation should read “ $\Delta Y_T(\theta, p^{T-1}) = \alpha_T(\theta - p_{T-1})$ ” instead of “ $\Delta Y_T(\theta, p^{T-1}) = \alpha_T(\theta - p_T)$ ”.