

## MRA Volume II: Changes for Fourth Reprinting

When counting lines matrices and formulae count as one line and spare lines and footnotes do not count.

‘Line  $-n$ ’ means  $n$  lines up from the bottom, so ‘Line  $-1$ ’ means the last line.

- Page 7      8 lines below formula (II.1.9) replace “25 days (or 1 month, in trading days)” with “14 days (or about 3 weeks, in trading days)”
- Page 62      Insert minus sign on right hand side (r.h.s.) of first two displayed equations, eq (II.2.7) and eq (II.2.9), also on r.h.s. of last two displayed equations page 66, also on first displayed equation page 68.
- Page 65      Insert minus sign on left hand side (l.h.s.) of displayed equation on page 65, also on first two equations page 72 and first equation page 73, first equation page 74. Insert minus sign on r.h.s. of last equation on page 72, and delete minus sign on r.h.s. of last equation page 73.
- Page 283      Line 7: change -0.795 to -0.723, change 6.66 to 5.836, and change 555.31 to 296.08  
Line 9: change 6.68 to 5.325 and change 538.91 to 295.62  
Line 20-21: change 2.157 to 1.579 and 357.95 to 272.51
- Page 287      Add the following paragraph at the end of Section II.6.7.2:  
  
Whilst this relatively simple simulation approach produces accurate normal copula simulations, there are some problems with the Student  $t$  copula samples simulated in this way. If we try to re-calibrate a Student  $t$  copula to such a sample it is not possible to recover the degrees of freedom of the copula, or indeed of the second marginal, accurately. However, the Marshall-Olkin algorithm does produce accurate simulations. Hence, it should be used even for the Student  $t$  copula. The spreadsheet labelled ‘ $T$  (Marshall-Olkin)’ in the Copula Simulations Excel workbook kindly provided by a reader, Peter Hoadley, implements this algorithm for the Student  $t$  copula.