

Errata file for
“Intermediate Microeconomic Theory:
Tools and Step-by-step Examples,” MIT Press

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1. **Chapter 2.**

- Page 23. Second paragraph should refer to figure 2.5 rather than 2.3b.

2. **Chapter 3.**

- The last ratio of Example 3.4 should read $\frac{I'}{p'_x}$ rather than $\frac{I'}{p_x}$.
- In Example 3.5, the second displayed equation should read $\frac{1}{5}x$ in the second equation.
- In figure 3.10, the right-hand corner of the figure should read \bar{u} rather than u .

3. **Chapter 6.**

- Bottom of page 147. The displayed equation should have exponent $1/2$. This also applies to the in-line equation in the subsequent paragraph (second line), which should also have exponent $1/2$.

4. **Chapter 7.**

- In page 171, immediately before the first displayed equation, should read “In addition, the slope of the isoquant...”

5. **Chapter 8.**

- In page 190, “this input demand”, in the middle of the page, should read “these input demands”.
- In page 191, at the bottom of the page (immediately before Self-assessment 8.5), the in-line equation should have ratio $\frac{q}{8}$ rather than $\frac{q}{2}$.
- In Example 8.7 (page 194), the in-line equation $4r < w$ should read $r < 4w$ everywhere it shows up. Similarly, the inequality $4r > w$ should read $r > 4w$ everywhere. These two changes apply to Example 8.7 and all subsequent examples in this chapter.

6. **Chapter 9.**

- Page 239, last displayed equation. Its last term should read 2×2 (as in two times two) in the denominator, rather than $2p_1$.

7. **Chapter 11.**

- Figure 11.2, in the middle of the horizontal axis, the label should read $q^{FD} = q^{PC}$.

8. **Chapter 12.**

- Page 297, first line should add a space so it reads "...in economics, a discussion..."
- Page 298 should read "we consider an scenario"
- Page 301. Tool 12.1, fix the step numbering.
- Page 307. Tool 12.2, fix the step numbering.
- Page 316, last paragraph, should read "have a NE" rather than "have an NE" in both instances.
- Page 320, immediately after the last displayed equation should read "...when the goalie dives left..."
- Page 321, last line of the first paragraph should read "... or a msNE)."

9. Chapter 13.

- Page 336, last paragraph should read "...the smallest subgame that we can circle is the one initiated after...". The end of this paragraph should read "Circles that break firm 2's..."

10. Chapter 14.

- Page 361, first displayed equation, second line. Number 2 in the numerator should be deleted.
- Page 366, first line should read "...two firms produce a homogeneous good..."
- Page 367, second line, the in-line equation should read " $p'_2 = p_1 - \varepsilon$, where... "
- Page 368.
 - Figure 14.6, its top label should read $p - \varepsilon$, rather than $p_i - \varepsilon$.
 - Example 14.3, sixth line, should read " $Q^* = 12 - c$ ", rather than $Q = 12 - c$.
- Page 374. Second displayed equation should read $a - bq_1 - 2q_2 - c = 0$.
- Page 376.
 - Example 14.7 should be numbered Example 14.6.
 - The last paragraph of this example should read "...for the leader, $q_1^* = 4$ units, which entails $q_2^* = \frac{4}{2} = 2$ units for the follower. In this scenario,..."
- Page 378, last line should read "...in equilibrium output, $q_i^* = q_j^* = q^*$, which yields..."
- Page 379. Example 14.8 should be numbered Example 14.7.
- Page 380, last paragraph before the last displayed equation should read "Rearranging this, we find $c - c - bq_{-i} = 2bq_i$."
- Page 382, Duopoly section, paragraph after the displayed equation should read "...and equilibrium price becomes $p^* = \frac{a+2c}{2+1} = \frac{a+2c}{3}$, which also..."

11. Chapter 15.

- Page 395, previous to last paragraph should read "...are parallel to each other, but $q_2^L(q_1)$ originates at..."
- Page 397, last paragraph should read "...yields an expected profit equal to..."

12. Chapter 16.

- Page 423, fourth line should read "...high effort become..."
- Page 424, previous to last paragraph should read "...the positive effects offset..."
- Page 432, fourth line should read " $w = \theta e^2$. Inserting this result..."
- Page 436, last paragraph should read "...with low cost of effort because $e_L^{SI} = e_L^{AI} = \frac{1}{\sqrt{2}}$. This is often..."
- Page 439. Line 5 should read "...to the uninformed firm. As discussed..."
- Page 440. Delete the number 1 in the paragraph after the last displayed equation.

13. Chapter 17.

- Page 448. Renumber all examples, starting at Example 17.3, which should read Example 17.2.
- Page 453, section 17.3.2, fourth line should read "...or emission fees, which increase the cost..."