Erratum

Page 26: where it reads “since only then is it not IR for a type 2 to borrow at a type 2 price schedule \((q = 1 - B - K)\)”, it should read “since only then is it not IR for a type 1 to borrow at a type 2 price schedule \((q = 1 - B - K)\)”.

Page 33: where it is \(q = 1 - B - PK - \frac{P_x - M}{B}\), it should be \(q = 1 - B - PK + \frac{P_x - M}{B}\), as can be seen in page 90 of the appendix.

Page 38, Table 5: where it is \(q = 1 - B - PK - \frac{M}{B} + P_x\), it should be \(q = 1 - B - PK - \frac{M}{B} + \frac{P_x}{B}\), as can be seen in page 90 of the appendix.