Erratum

Erratum: “Equilibrium Cross Section of Returns”

Joao Gomes  
*University of Pennsylvania*

Leonid Kogan  
*Massachusetts Institute of Technology*

Lu Zhang  
*University of Rochester*

In the August 2003 issue of the *Journal*, firm market betas are incorrectly defined by equation (28) on page 705. The correct form of this equation should be

$$\hat{\beta}_f = \tilde{\beta}_f + \frac{1}{\hat{V}_f} \left( \beta^*_f - \tilde{\beta}_f \right) + \delta(x) \frac{K_f}{\hat{V}_f} \left( \beta^*_f - \tilde{\beta}_f \right),$$

and not

$$\hat{\beta}_f = \tilde{\beta}_f + \frac{1}{\hat{V}_f} \left( \beta^*_f - \tilde{\beta}_f \right) + \frac{1}{\delta(x)} \frac{K_f}{\hat{V}_f} \left( \beta^*_f - \tilde{\beta}_f \right).$$

Similarly, the weights $\pi_{j^*}$ used in the proof to proposition 4 on page 705, are given by the expression

$$\pi_{j^*} = \frac{K_{j^*} \left( K_{j^*} \right)^{-1}}{\hat{V}_{j^*}} = K_{j^*} \frac{1}{\delta(x)},$$

and not

$$\pi_{j^*} = \frac{K_{j^*} \left( K_{j^*} \right)^{-1}}{\hat{V}_{j^*}} = K_{j^*} \frac{1}{\delta(x)}.$$

We are grateful to Dmitry Livdan for pointing out these typographical errors.