***Management Science: The Art of Modeling with Spreadsheets***

**(*Fourth Edition*)**

**Errata**

**February 12, 2014**

**Chapter 5:**

1. Page 99, Figure 5.12.

Readers who try to recreate Figure 5.12 will have difficulty because the *Applicants.xlsx* dataset contains blank cells and XLMiner will not produce charts for data with missing values. This applies also to figures 5.13, 5.14, 5.15, 5.17, 5.18, 5.19, 5.21, and 5.22. Accordingly, on the book’s website we have provided a version of this dataset called *Applicants Cleaned.xlsx* that does not have missing values.

2. Page 101: *Question:* What percentage of the applicants were given the DENY decision?

The COUNT function here returns 0 because it counts only numbers, not text entries. We should instead use the COUNTA function, which counts the number of cells in a range that are not empty. The results are as follows:

COUNTIF(J2:J2918, "Deny") = 2296

COUNTA(J2:J2918) = 2915

COUNTIF(J2:J2918, "Deny")/COUNTA(J2:J2918) = 0.79.

**Chapter 6:**

1. Application of k-NN to German Credit data, pages 124-128.

Figure 6.13 shows the data are normalized before running the algorithm, but the results in Figures 6.14 and 6.15 are not normalized. When the data are properly normalized, the algorithm gives a best k of 20, with error rates of 26.83 on the training partition and 28.50 on the validation partition.

**Chapter 11:**

1. Page 296, model specification. J9:J17 ≤ L9:L17 should read: J9:J17 ≥ L9:L17. The sense of the constraint is shown correctly in the figures.

2. Page 311, Exercise 11.1. The data for expenses in the table should read:

**Project Expenses ($000)**

1 60

2 110

3 53

4 47

5 92

6 85

7 73

8 65

**Cases:**

1. ERP case, pages 453-454 under “Assumptions.”

Without ERP, sales are expected to hold steady at *$100* million per year over the next *20* years.

To hold a dollar of finished goods inventory for one year costs *$0.50*.