

27.4.2020 Master's thesis errata "The usage of derivatives and firm market value: An empirical study on Finnish listed firms 2014–2018" (Jani-Áron Slavic)

(Additions: **bold**, removals: ~~strikethrough~~)

- English & Finnish summary pages "Date/Päivämäärä: ~~30.9.2019~~ **16.9.2019**"
- English summary page text row 4 (background addition to summary for informative purposes):

"In March 2016 the ECB for the first time ever reduced its main refinancing rate to 0 % while almost simultaneously for the first time ever the 12 months Euribor rate turned negative. This was preceded and succeeded by a general decline in the level of interest rates for a few years following the financial crisis and the ensuing eurozone debt crisis. This development also questions the efficiency of particularly interest rate derivatives as a part of corporate hedging practices in the eurozone."

- Finnish summary page text row 4 (background addition to summary for informative purposes):

"Maaliskuussa 2016 EKP ensimmäistä kertaa historiassa laski perusrahoitusoperaatioiden koron 0 %:n kun lähes samanaikaisesti 12 kk Euribor-korko kääntyi negatiiviseksi ensimmäistä kertaa historiassa myös. Tätä edelsi ja on seurannut yleinen muutamia vuosia kestävä korkotasojen lasku finanssikriisin ja siitä seuranneen euroalueen velkakriisin jälkeen. Tämä kehitys myös kyseenalaistaa etenkin korkojohdannaisten käytön tehokkuutta osana yritysten suojaustoimenpiteitä euroalueella."

- Page 12 text row 3-4: "A positive effect ~~exists~~ **exists** between larger derivative positions and firm market value."
- Page 26 Formula 10: " $S_0 = \text{spot exchange rate } \left(\frac{\text{foreign currency}}{\text{domestic currency}} \right) \left(\frac{\text{domestic currency}}{\text{foreign currency}} \right)$."
- Page 30 Table 2: "Credit default ~~are swaps~~ **swaps are** largely unregulated"
- Page 33 text row 37-38: "In this approach, the expected ~~variance~~ **return** in a market variable over the time period is (**often**) assumed to be zero."
- Page 34 text row 14-17: "In this method the probability distribution of the difference in portfolio value is constructed by calculating the difference between the realized portfolio value and the multivariate normal probability distribution (**utilizing Taylor-based delta-gamma approximation**), simulated until a probability distribution is built for the portfolio."
- Page 34 text row 29 & page 35 row 1-3: "However, when compared with ES, VaR is criticized most importantly for its lack of subadditivity (the VaR of two portfolios does not equal the sum of individual portfolios' VaR) and its complete ignorance of losses in the loss distribution's far tail as it assumes **only a given percentile point loss in** normal distribution."
- Page 46 text row 21-22: "In addition, there may be limited hedging expertise ~~at~~ at the divisional level."
- Page 48 text row 8: "Gay and Nam (~~1999~~) (**1998**)"
- Page 56 text row 21: "Brunzell et al. (~~2009~~) (**2011**)"
- Page 68 text row 6: "Brunzell et al. (~~2009~~) (**2011**)"
- Page 76 text row 15-17: "Size as natural logarithm of total assets shows highly statistically significant (at 1 % except 5 % for model ~~25~~ **26**) slightly negative relationships with Tobin's Q for the pooled OLS regressions of all models, in line with the previous literature."
- Page 76 text row 36-38: "In the examined models, the capacity for incurring higher interest expenses (**relative to revenue**) seems to be potentially rewarded with positive firm market value premia."
- Page 84 reference row 6: "Gay, G. D. – Nam, J. (~~1999~~) (**1998**)"