The Euler equations in our paper “Input and output inventories” (Journal of Monetary Economics 47(2) (2001) 347–375) contain several typographical errors. There are two types of errors: (1) The first difference operator, Δ, was omitted inadvertently from the Z variables associated with the adjustment cost parameter φ; and (2) The Z variable, which denotes quasi-differences (see p. 362 of the article), was used incorrectly with some of the error terms involving ε_{mt} and ε_{nt}. The corrected Euler equations are shown below. All notation and equation numbering are the same as in our original article.

**Gross production model**: The Euler equation for input inventories is

\[ E_t \{ \gamma_2 \phi Z_{\Delta M_1} + \gamma_2 Z_{V_1} - \gamma_3 \phi Z_{Y_1} + \tau(\gamma_2 + \phi)[M_t - \theta Y_t] + (\gamma_2 + \phi)\varepsilon_{mt} \} = 0. \]  

(17)

The Euler equation for output inventories is

\[ E_t \{ \gamma_1 - \zeta \gamma_2 \} Z_{Y_1} + \phi \Delta Z_{Y_2} + \delta[N_t - \alpha X_t] + \gamma_4 Z_{W_1} - \zeta Z_{V_1} - \tau(\Delta M_t - \theta Y_{t+1})] - \phi \zeta Z_{\Delta M_1} + Z_{e_1} + \varepsilon_{nt} = 0, \]  

(18)

where \( \zeta = \gamma_3/(\gamma_2 + \phi) \).

**Value added model**: The Euler equation for input inventories is

\[ E_t \{ \gamma \phi Z_{\Delta M_1} + \phi \Delta Z_{\Delta M_2} + \gamma Z_{V_1} + \phi \Delta Z_{Y_2} + \phi \gamma Z_{W_1} + \phi \gamma Z_{Y_1} + \phi \phi \Delta Z_{Y_2} + \tau(\gamma + \phi) (M_t - \theta Y_t) + \phi \gamma Z_{Y_1} + \phi \phi \Delta Z_{Y_2} \} - \phi Z_{e_1} + (\gamma + \phi)\varepsilon_{nt} + \phi \Delta Z_{e_1} + \varepsilon_{nt} = 0. \]  

(19)

The Euler equation for output inventories is

\[ E_t \{ \delta(\gamma + \phi)(N_t - \alpha X_t) + \delta \phi(\Delta N_t - \alpha \Delta X_t) - \tau(\gamma + \phi)[(1 + \theta)(M_t - \theta Y_t) - \theta(\Delta M_t - \theta \Delta Y_{t+1})] - \tau \phi[(1 + \theta)(\Delta M_t - \theta \Delta Y_t) - \theta(\Delta M_{t+1} - \theta \Delta Y_{t+1})] + (\gamma + \phi)\varepsilon_{nt} + \phi \Delta Z_{e_1} - (\gamma + \phi)\varepsilon_{nt} - \phi \Delta Z_{e_1} + \delta_0 \} = 0. \]  

(20)