Red Girl Static Exercise

Red Girl is a local business that makes chocolates. One of their products is an assorted chocolate gift box. They sell this product through the store, but most of the demand comes from the mail order business as their customers send these chocolates to friends and relatives during the holidays. Download the data from Canvas and answer the following questions using the techniques you learned from the static forecasting module.

1. Choose the appropriate type of forecasting model to forecast demand for RedGirl. Which model did you choose and why?
2. Is the model a good fit for the existing data? Why or why not?
3. Is the model appropriate for forecasting future demand? Why or why not? **Hint:** Look at the residuals
4. If the model does not appear to be appropriate for forecasting future demand, why do you think that is the case? What solution might you propose? **Implement your solution.**
5. Use the two different models to forecast future demand for year 4.
6. Compare the forecasts for the two models. How do they compare? Which one should you use?
7. Would you be confident in the forecast generated by either one? Why or why not?