

ECON 338 Introductory Econometrics II

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Hours: To be arranged

Textbook: Some material will be on WEB CT. *Forecasting Methods and Applications* by Makridakis, Wheelwright, and Hyndman, as well as some other books, will be put on reserve in the library.

Students should have the equivalent of ECON 337 to take this course, namely familiarity with simple and multiple regression, together with a bit of matrix technique, principally through EXCEL. Some knowledge of calculus is highly desirable. The main thrust of the course is forecasting methods, although some additional topics appear. Some real data sets, including the well-known Box-Jenkins airline data, will be used for examples and problems. Work will be done using statistics software, such as MINITAB and EXCEL.

Topic

1. Partial correlation and stepwise regression
2. Time-series models, transformations
4. Ratio-to-moving-average method, deseasonalisation
5. Improvement to RTMA method
6. Multiple regression with indicator variables for seasons, deseasonalisation
7. Stationarity, finite differences, log transformations
8. Exponential smoothing
9. Holt-Winters methods
10. Seasonal models
11. Backshift operator, ARIMA, Box-Jenkins models
12. Chow Test

Evaluation:	Assignments	15
	Midterm Examination	25
	Final Examination	60

Students should have a calculator capable of statistics computations with two-variable capacity. Work may be presented in English or French.

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