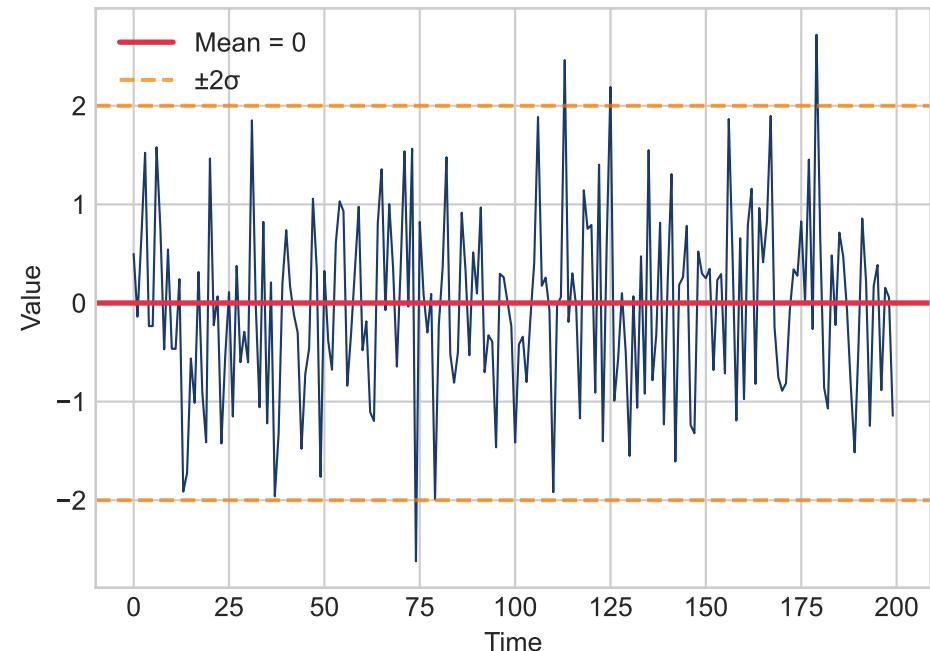
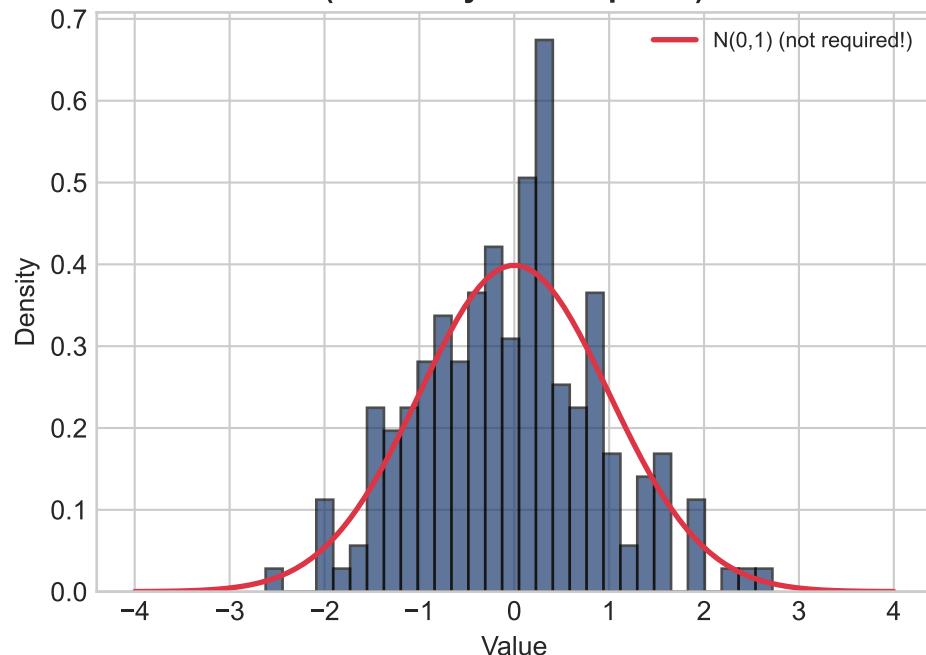


White Noise: $\varepsilon_t \sim WN(0, \sigma^2)$

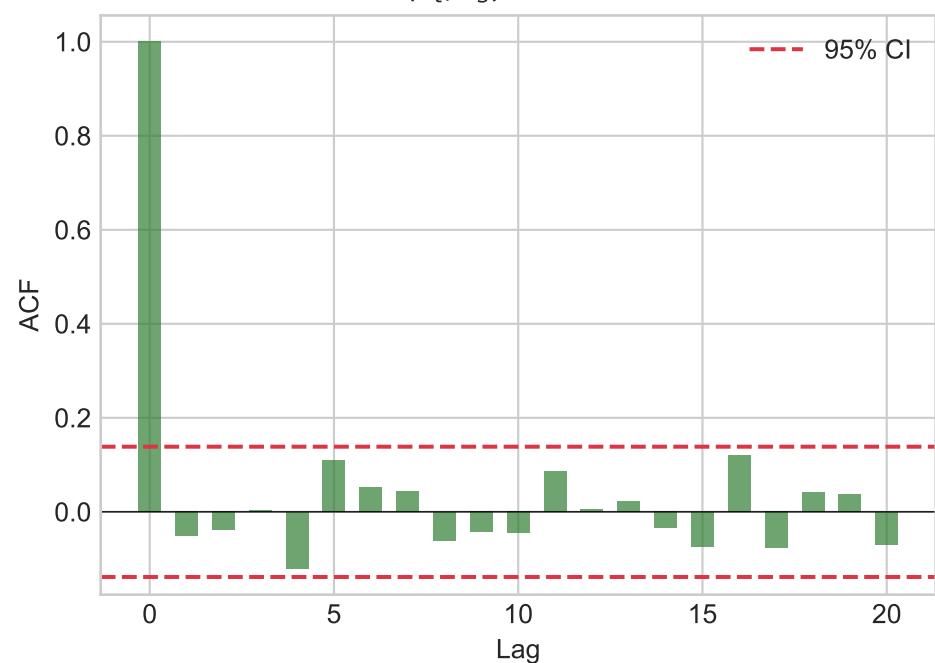


**Distribution
(Normality NOT required)**



ACF: No Autocorrelation

$Cov(\varepsilon_t, \varepsilon_s) = 0$ for $t \neq s$



White Noise Properties

1. $E[\varepsilon_t] = 0$

Zero mean

2. $Var(\varepsilon_t) = \sigma^2$

Constant variance

3. $Cov(\varepsilon_t, \varepsilon_s) = 0$

Uncorrelated

4. $\varepsilon_t \sim N(0, \sigma^2)$

NOT required!