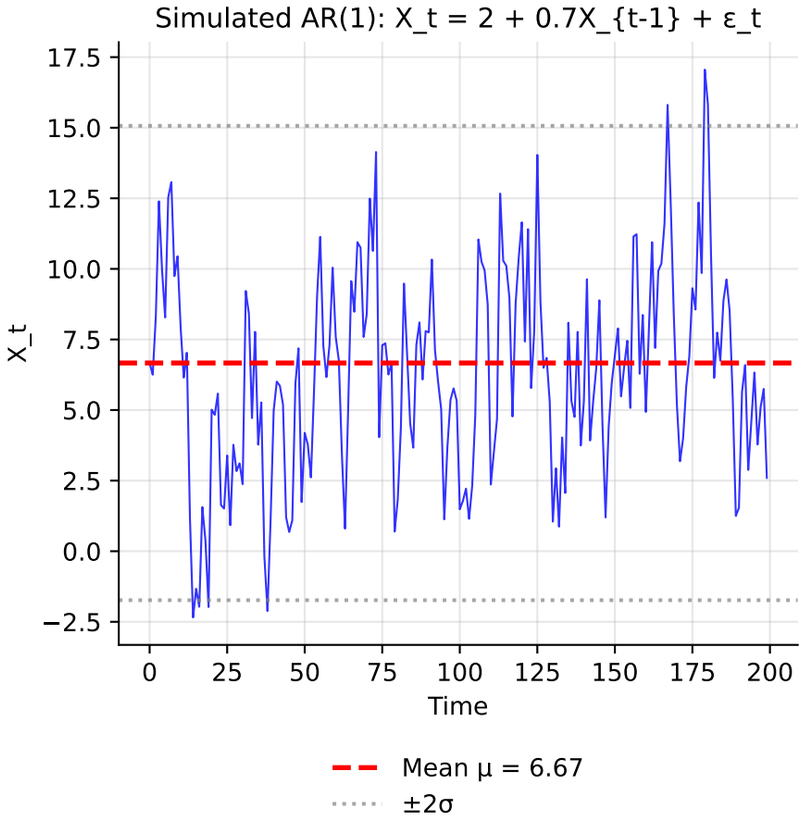

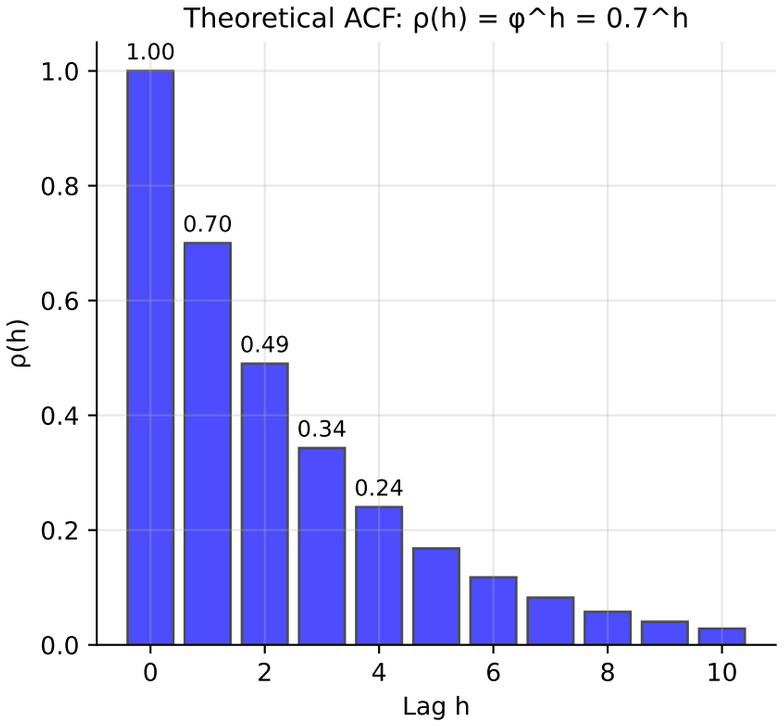

AR(1) Solution Summary

Model: $X_t = 2 + 0.7X_{t-1} + \varepsilon_t$
$\varepsilon_t \sim WN(0, 9)$

Results:

1. Mean:
   $\mu = c/(1-\varphi) = 2/(1-0.7) = 6.6667$

2. Variance:
   $\gamma(0) = \sigma^2/(1-\varphi^2) = 9/0.5100$
   $= 17.6471$

3. Autocovariance:
   $\gamma(1) = \varphi \times \gamma(0) = 0.7 \times 17.65$
   $= 12.3529$
   $\gamma(2) = \varphi^2 \times \gamma(0) = 0.48999999999999994 \times 17.65$
   $= 8.6471$

4. Autocorrelation:
   $\rho(1) = \varphi = 0.7$
   $\rho(2) = \varphi^2 = 0.48999999999999994$