

Lab 2 Assignmentt

PSTAT 174/274

- (1) What is the definition of a white-noise process? Does it have to be Gaussian?
- (2) In Lab 2 question 2 **Moving averages**, what is the difference of y_t and x_t in the plot? What does this difference suggest about Moving Average as a data processing technique? Plot the acf of y_t in question 2.
- (3) Simulate an AR model using two different ways you learned from Lab 2.

Hint: `filter()` and `arima.sim()`