

0.028123q2 +

0.098231q3 +

-0.170527q4

From this equation, we can make the following observations:

* Similar to model1, the intercept of -328.276371 has no meaning since at t = 0, jj did not exist. It is only needed for the purpose of model fitting, but has no other practical value.
* At Q1 of 1964, my predicted value of the logged EPS is:
  + Y\_t =
* Based on the question that the decimal values in t account for some of the seasonality, what is the interpretation of the 0.028123 coefficient for q2?
  + Given that I cannot hold t constant, I ***cannot*** say that the 0.028123 value corresponds to the difference in logged EPS as I move from Q1 to Q2.
  + As we move from Q1 to Q2 of 1964, let us see what is the diff in logged EPS
    - Q1:
    - Q2:
    - The diff is: 0.069916 (which you could have also computed as )
* The idea of the baseline means that I would compare Q3 to Q1 and not to Q2
  + As we move from Q1 to Q3 of 1964, let us see what is the diff in logged EPS
    - The diff is: 0.181817 (which you could have also computed as