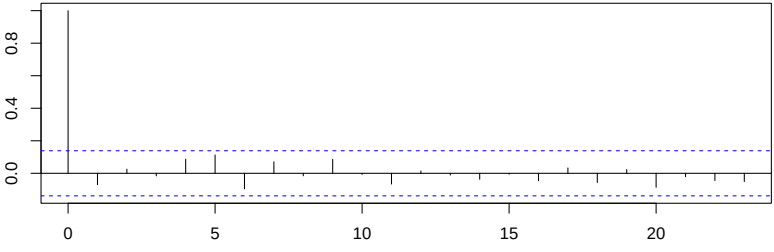


The plot above is the sample autocorrelation function (ACF) for a time series $y_{1:N}$. What is the best conclusion to draw from this evidence?

A. The sample ACF is statistically consistent with an iid model. Therefore, standard statistical reasoning lets us conclude that the time series is iid.

B. The time series passed this test for being iid, but it might fail other tests. In practice, we can never make all possible tests so we cannot reliably conclude that the time series is iid.

C. It is meaningless to say that a time series is iid, since a time series is a sequence of numbers and iid is a property of a sequence of random variables.

D. The statistical evidence in the sample ACF is consistent with using an iid model to describe the data.

E. There is an oscillating pattern in the sample ACF. Even though no individual lag contradicts an iid model assumption at the 5% level, the overall pattern is clear evidence against iid.