Assessment 1

Time Series Analysis

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To be handled before 25th February

Maximum extensión of the report 1 page.

Consider the following time series of consumer prices, P_t, in Spain observed monthly from 2002M1 to 2024M12 (T=277) and available in the file in AULA GLOBAL as "Indice general".

1) Obtain the stationary transformation of P_t assuming deterministic components.
2) Obtain the stationary transformation of P_t assuming stochastic components.
3) Compare the two stationary transformations above by comparing: a) their statistical properties; b) their temporal dependence.
4) Comment which of both transformations seems more adequate.