

1.2: Objectives of Time Series Analysis

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Short Summary

Our objective : draw inferences about the data!

Steps:

- ① select appropriate family of models,
- ② estimate parameters of model,
- ③ check for goodness of fit to the data,
- ④ use fitted model to enhance understanding of data generating mechanism

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Examples of (4):

- ① prediction/forecasting
- ② testing hypotheses (is trend parameter positive?)
- ③ simulate more data from fitted model