

Graduate School of Business
University of Chicago
Bus 41910, Time Series Analysis, Mr. R. Tsay

Homework Assignment #5, Due in one week

The data sets used are on the course web. You can also download from the web of Federal Reserve Bank at St. Louis.

1. The data file “gdp.txt” consists of U.S. quarterly real GDP from 1947 to the 2nd quarter of 2005. The data are seasonally adjusted. [There are four columns in the file; year, month, day and GDP.] Build an adequate model for the data, including model checking and outlier detection. Produce 1- to 5-step ahead forecasts at the forecast origin July 2005 (i.e. the last data point).
2. Similar to problem 1. Analyze the disposable personal income of the U.S. in the file “dpi.txt”.