THE UNIVERSITY OF CHICAGO
Booth School of Business
Business 41914, Spring Quarter 2009, Mr. Ruey S. Tsay

Homework Assignment 5

Note:

• You may discuss problems with other students, but must hand in your OWN solutions.

• You may use any software to do the empirical analysis even though I use SCA, SPlus or R in the demonstration.

• The assignment is due in one week once assigned.

1. Write down the structure of a 3-dimensional VARMA model if the Kronecker indices of the system are \{1,1,2\}.

2. Write down the structure of a VARMA model if the Kronecker indices of the system are \{1,0,1\}.

3. Consider the data set “s1.txt”. Find the Kronecker indices of the system $z_t$.

4. Consider the data set “s2.txt”. Find the Kronecker indices of the system $z_t$.

5. Write down the specified VARMA model for the data set “s2.txt”.