

ECON 467

Fall 2021

HW 6

(Due in Brightspace by 7:00 p.m. on Monday, November 1, 2021)

1. For this exercise, use the data on variable  $y$  in HW6DATA.xlsx posted with the homework and EViews.
  - a. Your first task is to ***apply the Box-Jenkins methodology*** of model selection - via identification, estimation and diagnostic checking - on this data. Use the data for the period 2000:3 – 2018:12 for this purpose. Present your chosen model along with *at least two other* potentially competing models. Explain why you consider the model you chose is the best one.
  - b. Make a forecast based on your chosen model for the period 2019:1- 2019:12. Present your forecasts, along with the 90% forecast intervals.
  - c. Provide an appropriate plot of your forecasts and forecast-intervals along with the actual values of  $y$ .