INTRODUCTORY BUSINESS AND ECONOMIC FORECASTING

Economics 4160  Fall 2004              Professor: Haizheng Li
Class Time: TTH 1:35-2:55              Office: Room 206, Habersham Bldg., Phone: (404) 894-3542
Classroom: IC 207                      Office Hours: TTH 3:30-4:30pm
EMAIL: haizheng.li@econ.gatech.edu      WWW: http://www.prism.gatech.edu/~hl45/

COURSE DESCRIPTION
The purpose of this course is to provide an introduction to business forecasting methods. We will
concentrate on quantitative approaches to forecasting. In particular, students will learn three approaches:
regression analysis, exponential smoothing, and ARIMA (autoregressive integrated moving average)
methods, all are widely used in business applications.

TEXTBOOK
F. X. Diebold, Elements of Forecasting, South-Western College Publishing
P. Newbold & T. Bos, Introductory Business & Economics Forecasting,
South-Western Publishing

HOMEWORK AND COMPUTER ASSIGNMENT
Homework and computer projects will be assigned in class. All homework will be graded.
The EVIEWS software program will used in this class.

HOMEWORK TURNED IN LATE WILL NOT BE ACCEPTED.

EXAMS
Exam I:                                                                 October 7       Thursday (in class)
Exam II:                                                                 November 23     Thursday (in class)
Exam III (comprehensive):                                                  December 7    Tuesday 11:30-2:20

NO MAKE-UP EXAM WILL BE GIVEN.
NO RE-GRADING AFTER ONE WEEK FROM TEST/HOMEWORK RETURN.

COURSE GRADE

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<td>Homework</td>
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<td>Exam I</td>
<td>30% for Max(Exam I, Exam II)</td>
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ATTENDANCE
I will take attendance irregularly. Every attendance that I take is worth 5 points of extra credits
adding to your homework score.

COURSE OUTLINE
1. An introduction to time series and their components
2. Exponential smoothing algorithms
3. ARIMA models: The Box-Jenkins approach to forecasting
4. Regression Models and ARIMA models
5. Evaluating and Combining forecasts