

R Exam, Time Series Analysis, 2009

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13 Dec, 2009

The exam will begin between 2:15 and 5:15pm.

Exam submissions after 5:15 will start losing 5% of the points earned, every half hour as described in my email.

The results should be submitted as a neatly formatted PDF file.

- There are 2 time series in the file `exam-dat.rda`.

One is called `prices.1`, the second `prices.2`.

1. Identify the DGP of `prices.1`. **(7.5 points)**
2. Identify the DGP of `prices.2`. **(7.5 points)**
3. Identify which of the series contains a structural break. Identify whether the structural break takes place in the mean or the volatility. **(10 points)**

Remember to write out the DGP clearly as a set of mathematical equations.