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School of Economics and Finance

**QUAN 202: Business/Economic Forecasting**

Trimester Two 2011

**COURSE OUTLINE**

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**Name and Contact Details**

Lecturer: Yiğit Sağlam (Coordinator)  
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Mail-box: Mezzanine Floor, RH, Box # 29  
Office Hours: Tuesday, Thursday between 10:30-11:20 in RH312

**Trimester Dates**

Teaching Period: Monday 11 July - Friday 14 October  
Study Period: Monday 17 October - Thursday 20 October  
Examination Period: Friday 21 October - Saturday 12 November (inclusive)

**Withdrawal from Course**

1. Your fees will be refunded if you withdraw from this course on or before 22 July 2011.
2. The standard last date for withdrawal from this course is 23 September 2011. After this date, students forced to withdraw by circumstances beyond their control must apply for permission on an Application for Associate Dean's Permission to Withdraw Late including supporting documentation.

The application form is available from either of the Faculty's Student Customer Service Desks.

**Lectures and Tutorials**

	Date	Time	Room
Lectures:	Tuesday, Thursday	9:30-10:20	LT3 (Rutherford House)
Tutorials:	Tuesday, Wednesday	13:40-14:30	RWW202
	Friday	10:30-11:20	RWW202

When tutorials are held in a week, each student is expected to attend only one tutorial. It is likely that only one tutorial time will be kept for this course throughout the course.

## Course Content

This course aims to provide students with a sound knowledge and understanding of the major fundamental results of environmental economics. Diagrams are widely used but some basic knowledge of partial differential calculus (i.e., taking derivatives of functions) is indispensable.

## Course Learning Objectives

Students passing this course should be able to:

1. explain the strengths and weaknesses of a wide range of forecasting methods (MAE 1,4,5,7),
2. critically evaluate the forecasting techniques used in particular situations (MAE 1,4,5,7),
3. produce forecasts for various types of economic variables (MAE 1,4,5,7),
4. assess the accuracy of forecasts and consequently improve forecast performance (MAE 1,4,5,7),
5. use a computer and appropriate software for practical forecasting (MAE 1,4,5,7),
6. produce a word-processed report on a forecasting project (MAE 1,4,5,7,8).

## Course Delivery

Two 50-minute lectures per week for 12 weeks, plus a 50-minute tutorial in eight of the weeks.

## Expected Workload

The **expected workload** is a total of 150 hours. In addition to the lecture and tutorial times, this might include tutorial preparation of 16 hours, reviewing material for the test and exam of 80 hours and working on assignments for 20 hours.

## Readings

Lecture notes, **announcements**, assignment questions and other information will be posted on the blackboard website: <http://blackboard.vuw.ac.nz>.

There are copies of the following recommended textbook in the library:

John E. Wanke and Dean W. Wichern, *Business Forecasting 9<sup>th</sup> ed.*, Pearson, 2009.

## Course Assessment

Type	Number	Weight	Total
Assignments:	6	5%	30%
Test:	1	30%	30%
Final Exam:	1	40%	40%
			100%

Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of FCA programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

## Examinations

Students who enrol in courses with examinations are obliged to attend an examination at the University at any time during the formal examination period. The final examination for this course will be scheduled at some time during the period from Friday 21 October - Saturday 12 November.

## Penalties

Assignments are to be placed in the relevant Mezzanine Floor mail box by 5PM of the due date. As solutions to assignments will be posted soon after the deadline, no late assignments are accepted.

## Mandatory Course Requirements

There are no mandatory course requirements.

## Class representative

A class representative will be elected in the first class, and that person's name and contact details made available to VUWSA, the Course Coordinator and the class. The class representative provides a communication channel to liaise with the Course Coordinator on behalf of students.

## Links

For the following important information follow the links provided:

- Academic Integrity & Plagiarism:  
<http://www.victoria.ac.nz/home/study/plagiarism.aspx>
- General University Policies & Statutes: Find key dates, explanations of grades and other useful information at:  
[www.victoria.ac.nz/home/study](http://www.victoria.ac.nz/home/study)  
Find out about academic progress and restricted enrolment at:  
<http://www.victoria.ac.nz/home/study/academic-progress.aspx>  
The University's statutes and policies are available at:  
[www.victoria.ac.nz/home/about/policy](http://www.victoria.ac.nz/home/about/policy),  
except qualification statutes, which are available via the Calendar webpage at:  
<http://www.victoria.ac.nz/home/study/calendar.aspx> (See Section C).  
Further information about the University's academic processes can be found on the website of the Assistant Vice-Chancellor (Academic) at:  
[www.victoria.ac.nz/home/about\\_victoria/avcacademic/default.aspx](http://www.victoria.ac.nz/home/about_victoria/avcacademic/default.aspx)
- AVC (Academic) Website: information including: Conduct, Academic Grievances, Students with Impairments, Student Support  
[http://www.victoria.ac.nz/home/about\\_victoria/avcacademic/Publications.aspx](http://www.victoria.ac.nz/home/about_victoria/avcacademic/Publications.aspx)
- Faculty of Commerce & Administration Offices: <http://www.victoria.ac.nz/fca/studenthelp/>
- Te Putahi Atawhai - Maori and Pacific Mentoring Programme:  
[http://www.victoria.ac.nz/st\\_services/tpa/index.aspx](http://www.victoria.ac.nz/st_services/tpa/index.aspx)

## Computing

To implement the theoretical development of forecasting, we will use  $R$  to practice forecasting techniques. RWW202 has been booked for the tutorial sessions. In the tutorial weeks, we will learn how to use  $R$  to estimate time series models.

### Intended Timetable

Date	Homework Assignments	Topic
Week 1	HW#1 assigned	Introduction & Review of Basic Statistics
Week 2		Probability Distributions & Expectation
Week 3	HW#1 due, HW#2 assigned	Correlation & Simple Linear Regression
Week 4		Multiple Linear Regression
Week 5	HW#2 due, HW#3 assigned	Moving Averages and Smoothing
Week 6		Time Series Regression
Week 7		Midterm break
Week 8		Midterm break
Week 9	HW#3 due, HW#4 assigned	ARIMA Method
Week 10		ARIMA Method (cont.)
Week 11	HW#4 due, HW#5 assigned	ARIMA Method (cont.)
Week 12		ARIMA Method (cont.)
Week 13	HW#5 due, HW#6 assigned	Extension Material
Week 14	HW#6 due (last lecture)	Judgemental Forecasting
17/OCT/2011		Study period begins
21/OCT/2011		Final exam period begins
12/NOV/2011		Final exam period ends

**Note:** Homework assignments are due the first lecture of the week, when a new homework assignment is assigned. The only exception is homework assignment #6, which is due the last lecture of the semester on week 14.