ECO 341, Fall 2017, Required Homework Assignment #3
Due On Tuesday, October 24

Collect two time series and do the following (report results for each step):

1. Report descriptive statistics:

2. Choose an appropriate lag length.

3. Obtain a set of IRFs from a VAR for your preferred ordering of the variables.

4. Defend your ordering.

5. Obtain a set of IRFs from an alternate ordering.

6. Discuss how and why the results differ between $3 and #5.

7. Show which ordering does better using an information criteria?

8. Test for cointegration.

9. Estimate a vector error correction model, even if your tests suggest it is not appropriate.

10. Pick the most appropriate specification and provide a ten period ahead forecast for each of your variables.