Introduction

• For you to make effective decisions as a manager, you must make sense of a variety of kinds of information
• A sound factual basis for the decision is a major component of getting it implemented, but the effectiveness of this will be much enhanced if it is communicated well
  – in class discussions, assignments, exams, and on the project, there will be a premium for avoidance of unnecessary terminology and effective managerial-style presentation.
Expectations of Students

- Keep up
- Do your assignments
- Make sure you participate fully in group work
- Statistical analysis is no substitute for thinking

Grading

- midterm (11/3/2015) counts 20%
- final (probably 12/8/2015), counts 30%
  - No make-up exams
- Four cases (homeworks) are group assignments and count 20%
- Group project due 12/1/2015 counts 20%
  - Group grades are allocated at the end of the course by the group (see memo for more info)
- Professionalism and class participation count 10%
Web Pages

- All information related to the course will be available through the course web page
  http://schwert.ssb.rochester.edu/a425/a425.htm
- Lecture notes, slideshows, cases, exams, answers, and grades will all be available

Course Materials

- Textbook
  - Francis X. Diebold, *Elements of Forecasting*, 4th edition [recommended]
- Software
  - Eviews is available for $95:
Topics

- Review multiple regression
- Functional form
- Prediction
- Collinearity and categorical explanatory variables
- Heteroskedasticity
- Categorical dependent variables
- Time series analysis
- Time-varying volatility

Links

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http://schwert.ssb.rochester.edu/a425/a425main.htm