TS Module 13 Parameter estimation least squares

(The attached PDF file has better formatting.)

- Least squares estimation
- Autoregressive models

Read Section 7.2, “Least squares estimation,” on pages 154-156. Know how to solve for the parameters of an autoregressive process using least squares estimation. You are not responsible for nonlinear regression (with numerical methods) for processes having a moving average component.

Know equations 7.2.5 on page 155 and equations 7.2.9 and 7.2.10 in the middle of page 156. These are the same results as given by the Yule-Walker equations. You need not memorize the exact formulas for small samples. If an exam problem uses these formulas, it gives them to you on the exam.