

Subject card

Subject name and code	Time Series Analysis, PG_00155287						
Field of study	Mathematical Modeling and Data Analysis						
Date of commencement of studies	October 2024		Academic year of realisation of subject		2026/2027		
Education level	Bachelor's studies		Subject group		Obligatory subject group in the field of study		
Mode of study	full-time studies		Mode of delivery		at the university		
Year of study	3		Language of instruction		Polish		
Semester of study	5		ECTS credits		5.0		
Learning profile	academic		Assessment form		exam		
Conducting unit							
Name and surname of lecturer (lecturers)	Subject supervisor		dr Marta Frankowska				
	Teachers						
Lesson types	Lesson type	Lecture	Tutorial	Laboratory	Project	Seminar	SUM
	Number of study hours	30.0	0.0	30.0	0.0	0.0	60
	E-learning hours included: 0.0						
Learning activity and number of study hours	Learning activity	Participation in didactic classes included in study plan		Participation in consultation hours		Self-study	SUM
	Number of study hours	60		5.0		60.0	125
Subject objectives	To familiarise students with the basics of theory relating to time series, to provide a working knowledge of the methods of estimating the parameters of selected models, the predictions in these models and their use in the analysis of real data.						

Learning outcomes	Course outcome	Subject outcome	Method of verification
	[MMiADL3_U09] is able to use the learned software package or the learned programming language to solve selected problems from the known fields, in particular from mathematical analysis, linear algebra and statistics	Students will be able to (using one of the available statistical packages): - decompose a time series, perform stationarity tests on a time series and interpret the results, - interpret the autorelation function (ACF) and partial autorelation function (PACF), - estimate parameters of ARIMA models and obtain forecasts in this model, -using, inter alia, information criteria, select the optimum among ARMA, SARIMA, GARCH, ARMA-GARCH models, generate forecasts from these models and interpret them	[SU2] presentation/project/paper/report
	[MMiADL3_U04] correctly uses the concepts of probability theory and statistics, is able - at a simple and medium level of difficulty - to apply the theorems and methods of these fields, and is able to interpret the results obtained	Students will be able to (using one of the available statistical packages): - decompose a time series, perform stationarity tests on a time series and interpret the results, - interpret the autorelation function (ACF) and partial autorelation function (PACF), - estimate parameters of ARIMA models and obtain forecasts in this model, -using, inter alia, information criteria, select the optimum among ARMA, SARIMA, GARCH, ARMA-GARCH models, generate forecasts from these models and interpret them	[SU2] presentation/project/paper/report [SU4] test/exam - oral or written
	[MMiADL3_U13] knows how to use computer programmes in the field of data analysis	Students will be able to (using one of the available statistical packages): - decompose a time series, perform stationarity tests on a time series and interpret the results, - interpret the autorelation function (ACF) and partial autorelation function (PACF), - estimate parameters of ARIMA models and obtain forecasts in this model, -using, inter alia, information criteria, select the optimum among ARMA, SARIMA, GARCH, ARMA-GARCH models, generate forecasts from these models and interpret them	[SU2] presentation/project/paper/report
	[MMiADL3_K03] is ready to work in a team; understands the need for systematic work on all projects that have a long-term character	The student is ready to work in a team; understands the need for systematic work	[SK8] observation of student's independent or team work
	[MMiADL3_W09] knows and understands the basics of computational and programming techniques supporting mathematician's work and understands their limitations	The student knows and understands: - the concept of stationarity of a time series, - time series decomposition methods, - autoregressive (AR) processes, moving average (MA), ARIMA models and their properties, - ARCH/GARCH processes and their properties.	[SW4] test/exam - oral or written [SW2] presentation/project/paper/report
	[MMiADL3_W07] knows and understands the construction of mathematical theories, can use mathematical formalism to build and analyse simple mathematical models in other fields of science	The student knows and understands: - the concept of stationarity of a time series, - time series decomposition methods, - autoregressive (AR) processes, moving average (MA), ARIMA models and their properties, - ARCH/GARCH processes and their properties.	[SW4] test/exam - oral or written

	<table><tr><th>Course outcome</th><th>Subject outcome</th><th>Method of verification</th></tr><tr><td>[MMiADL3_K10] is ready to analyse data and communicate the conclusions of such analysis in an accessible form</td><td>The student is ready to recognise the importance of knowledge in solving cognitive and practical problems and to communicate conclusions in an accessible form.</td><td>[SK8] observation of student's independent or team work</td></tr></table>	Course outcome	Subject outcome	Method of verification	[MMiADL3_K10] is ready to analyse data and communicate the conclusions of such analysis in an accessible form	The student is ready to recognise the importance of knowledge in solving cognitive and practical problems and to communicate conclusions in an accessible form.	[SK8] observation of student's independent or team work								
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Subject contents	• Components and decomposition of a time series - trend, seasonality, random component. • Autoregressive processes AR(p) and their properties. • Moving average processes MA(q) and their properties. • Autocorrelation and partial autocorrelation function (ACF, PACF), Ljung-Box test. • Autoregressive and moving average ARMA(p,q) processes - estimation of model parameters. • Forecasting in ARMA and ARIMA models. • Modelling conditional variance - GARCH(p,q) models. • Prediction in ARMA(p,q) models. • Model selection using model diagnostics and information criteria.														
Prerequisites and co-requisites	Knowledge of probability calculus.														
Assessment methods and criteria	<table><tr><th>Subject passing criteria</th><th>Passing threshold</th><th>Percentage of the final grade</th></tr><tr><td>observation of the student's attitude</td><td>100.0%</td><td>0.0%</td></tr><tr><td>project</td><td>51.0%</td><td>40.0%</td></tr><tr><td>written exam</td><td>51.0%</td><td>60.0%</td></tr></table>	Subject passing criteria	Passing threshold	Percentage of the final grade	observation of the student's attitude	100.0%	0.0%	project	51.0%	40.0%	written exam	51.0%	60.0%		
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Recommended reading	<table><tr><td>Basic literature</td><td>1. Time Series Analysis and Its Applications, With R Examples, Robert H. Shumway, David S. Stoffer, Springer 2. Analysis of financial time series, R. Tsay, John Wiley & Sons, Inc., New York 3. Introduction to time series and forecasting, P.J. Brockwell, R.A. Davis, Springer-Verlag, New York</td></tr><tr><td>Supplementary literature</td><td>Quantitative Risk Management, Alexander J. McNeil, Rudiger Frey, Paul Embrechts, Princeton University Press</td></tr><tr><td>eResources addresses</td><td></td></tr></table>	Basic literature	1. Time Series Analysis and Its Applications, With R Examples, Robert H. Shumway, David S. Stoffer, Springer 2. Analysis of financial time series, R. Tsay, John Wiley & Sons, Inc., New York 3. Introduction to time series and forecasting, P.J. Brockwell, R.A. Davis, Springer-Verlag, New York	Supplementary literature	Quantitative Risk Management, Alexander J. McNeil, Rudiger Frey, Paul Embrechts, Princeton University Press	eResources addresses									
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Example issues/ example questions/ tasks being completed	1. Concept of time series. Examples of time series: white noise, iid, random walk, random walk with drift, model with trend, etc. 2. Definition of weakly and strictly stationary process and examples of series that are/are not weakly/strictly stationary. Justify that a process is/is not stationary. 3. Definition and properties of theoretical autocovariance, autocorrelation and partial autocorrelation functions and their estimators. Properties of the estimators. 4. Process MA(1) - definition, proof of stationarity, calculation of autocovariance and autocorrelation functions. 5. AR(1) process - definition, stationarity condition (with proof), calculation of autocovariance and autocorrelation functions, properties, Wold's form. 6. Decomposition of a time series into trend, seasonality and random component. Methods of elimination/estimation of trend and seasonality. 7. Definition of process: q-dependent, q-correlated and linear. 8. MA(q) processes - definition, properties, autocovariance and autocorrelation and partial autocorrelation. Proofs of formulas for q=1. 9. AR(p) processes - definition, properties, autocovariance and autocorrelation, and partial autocorrelation. Proofs of formulas for p=1. 10. Definition of MA(infinity) process. 11. ARMA(p,q) processes - definition, stationarity condition, causality (casuality) and invertibility (innvertibility), autocorrelation and partial autocorrelation. Proofs for p=1 and q=1. 12. Forecasting: best linear predictors, Durbin-Levinson algorithm (relation to PACF), Innovation Algorithm. 13. Wold's decomposition. 14. Yule-Walker equations. 15. Parameter estimation of ARMA(p,q) models. Preliminary estimation: the Yule-Walker method (proof), Burg's Algorithm, Innovation Algorithm (proof), Hannan-Rissanen Algorithm - which method for which model? Proper estimation: the Method of Greatest Reliability with details and the Method of Least Squares. 16. Seasonal ARMA models (definitions) and non-stationary ARIMA and SARIMA models (definitions). 17. Diagnostics. Diagnostics of model residuals: graphs (what kind and how to interpret them), how the ACF function should behave, what formal tests of randomness of residuals we perform (test description, null hypothesis and test statistic), verification of normality of residuals (graphs and test - what kind?). Information criteria, significance analysis of coefficients and criteria for assessing the accuracy of predictions. 18. ARCH(p) and GARCH(p,q) models - definition, application.														

Work placement	Not applicable
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