

HG Econ 5101

14 Feb. 2014

## **Correction to answers for seminar II exercises**

The answer for Ex. 2A(i) is incomplete:

Insert after "...for  $\gamma(h)$  has changed (the coefficients are no longer the same).", the following sentence:

In addition, the equation for  $\gamma(0)$  gets an additional term,  $\sigma^2$ , which will affect the solution for the  $p$  start-values,  $\gamma(0), \gamma(1), \dots, \gamma(p-1)$ . This is in case  $q = 0$ . If  $q > 0$ ,  $\sigma^2$  will occur in several of the initial equations (see LN3 page 5).