

Instructions

Consider the following set of time series sales data for a growing company over the past 8 months:

Month	Sales
1	15
2	14
3	18
4	24
5	20
6	25
7	23
8	20

1. Construct a time series plot. What type of pattern exists?
2. Develop a forecast for the next month using a four-month moving average method.
3. Develop a forecast for the next month using the averaging method.
4. Develop a forecast for the next month using the naïve last-value method.
5. Use the Excel Functions SLOPE and INTERCEPT to write the linear regression prediction equation with Months as the independent variable and sales as the dependent variable.
6. Use the prediction equation to estimate the number of sales in month 9.