CONTENTS

ŀ	REFA	CE TO	THE FIFTH EDITION	xix	
P	REFA	се то	THE FOURTH EDITION	xxii	
P	REFA	CE TO	THE THIRD EDITION	XXV	
	Introduction				
	1.1	Five I	mportant Practical Problems, 2		
			Forecasting Time Series, 2		
			Estimation of Transfer Functions, 3		
			Analysis of Effects of Unusual Intervention Events to a System, 4		
			Analysis of Multivariate Time Series, 4		
			Discrete Control Systems, 5		
	1.2		astic and Deterministic Dynamic Mathematical Models, 6		
		1.2.1	Stationary and Nonstationary Stochastic Models for Forecasting and Control, 7		
		1.2.2	Transfer Function Models, 11		
		1.2.3	Models for Discrete Control Systems, 13		
	1.3	Basic	Ideas in Model Building, 14		
		1.3.1	Parsimony, 14		
		1.3.2	Iterative Stages in the Selection of a Model, 15		
	Appe		1.1 Use of the R Software, 17		
	Exer	cises, 1	18		

	3.4.3 First Order Autoregressive First-Order Moving Average Process, 78 3.4.4 Summary, 81	
App	endix A3.1 Autocovariances, Autocovariance Generating Function, and	
I I	Stationarity Conditions for a General Linear Process, 82	
App	endix A3.2 Recursive Method for Calculating Estimates of	
	Autoregressive Parameters, 84	
Exer	cises, 86	
Line	ear Nonstationary Models	88
4.1	Autoregressive Integrated Moving Average Processes, 88	
	4.1.1 Nonstationary First-Order Autoregressive Process, 88	
	4.1.2 General Model for a Nonstationary Process Exhibiting	
	Homogeneity, 90	
	4.1.3 General Form of the ARIMA Model, 94	
4.2	Three Explicit Forms for the ARIMA Model, 97	
	4.2.1 Difference Equation Form of the Model, 97	
	4.2.2 Random Shock Form of the Model, 98	
	4.2.3 Inverted Form of the Model, 103	
4.3	Integrated Moving Average Processes, 106	
	4.3.1 Integrated Moving Average Process of Order (0, 1, 1), 107	
	4.3.2 Integrated Moving Average Process of Order (0, 2, 2), 110	
	4.3.3 General Integrated Moving Average Process of Order $(0, d, q)$, 114	
	endix A4.1 Linear Difference Equations, 116	
	endix A4.2 IMA(0, 1, 1) Process with Deterministic Drift, 121	
App	endix A4.3 ARIMA Processes with Added Noise, 122	
	A4.3.1 Sum of Two Independent Moving Average Processes, 122	
	A4.3.2 Effect of Added Noise on the General Model, 123	
	A4.3.3 Example for an IMA(0, 1, 1) Process with Added White Noise, 124	
	A4.3.4 Relation between the IMA(0, 1, 1) Process and a Random Walk, 125	
	A4.3.5 Autocovariance Function of the General Model with Added	
-	Correlated Noise, 125	
Exer	cises, 126	
Fore	ecasting	129
5.1	Minimum Mean Square Error Forecasts and Their Properties, 129	
	5.1.1 Derivation of the Minimum Mean Square Error Forecasts, 131	
	5.1.2 Three Basic Forms for the Forecast, 132	
5.2	Calculating Forecasts and Probability Limits, 135	
	5.2.1 Calculation of ψ Weights, 135	
	5.2.2 Use of the ψ Weights in Updating the Forecasts, 136	
	5.2.3 Calculation of the Probability Limits at Different Lead Times, 137	
- -	5.2.4 Calculation of Forecasts Using R, 138	
5.3	Forecast Function and Forecast Weights, 139	

Stationarity and Invertibility Properties, 75

Autocorrelation Function and Spectrum of Mixed Processes, 77

3.4.1

3.4.2

		5.3.1	Eventual Forecast Function Determined by the Autoregressive	
			Operator, 140	
		5.3.2	Role of the Moving Average Operator in Fixing the Initial	
			Values, 140	
		5.3.3	Lead l Forecast Weights, 142	
	5.4	Exam	ples of Forecast Functions and Their Updating, 144	
		5.4 .1	Forecasting an IMA(0, 1, 1) Process, 144	
		5.4.2	Forecasting an IMA(0, 2, 2) Process, 147	
		5.4.3	Forecasting a General IMA(0, d, q) Process, 149	
		5.4.4	Forecasting Autoregressive Processes, 150	
		5.4.5	Forecasting a (1, 0, 1) Process, 153	
			Forecasting a (1, 1, 1) Process, 154	
	5.5		f State-Space Model Formulation for Exact Forecasting, 155	
			State-Space Model Representation for the ARIMA Process, 155	
		5.5.2	Kalman Filtering Relations for Use in Prediction, 157	
			Smoothing Relations in the State Variable Model, 160	
	5.6		nary, 162	
	App	endix A	5.1 Correlation Between Forecast Errors, 164	
	- *	A5.1.1		
			Origins, 164	
		A5.1.2	2 Correlation Between Forecast Errors at the Same Origin with	
			Different Lead Times, 165	
	App	endix A		
	App	endix A	-	
	- 1	A5.3.1		
		A5.3.2		
		A5.3.3		
	Exer	cises, 1		
		ŕ		
PA	RT T	'WO	STOCHASTIC MODEL BUILDING	17'
6	Mod	lel Iden	tification	179
	6.1	Object	tives of Identification, 179	
	0.1	6.1.1		
	62			
	0.4		fication Techniques, 180	
		0.2.1	Use of the Autocorrelation and Partial Autocorrelation Functions	
		622	in Identification, 180	
		0.2.2	Standard Errors for Estimated Autocorrelations and Partial	
		600	Autocorrelations, 183	
			Identification of Models for Some Actual Time Series, 185	
	6.2	6.2.4	Some Additional Model Identification Tools, 190	
	6.3		Estimates for the Parameters, 194	
		6.3.1	Uniqueness of Estimates Obtained from the Autocovariance	
		())	Function, 194	
			Initial Estimates for Moving Average Processes, 194	
		6.3.3	Initial Estimates for Autoregressive Processes, 196	

	6.3.4	Initial Estimates for Mixed Autoregressive-Moving Average	
		Processes, 197	
	6.3.5	Initial Estimate of Error Variance, 198	
	6.3.6	Approximate Standard Error for \overline{w} , 199	
	6.3.7	Choice Between Stationary and Nonstationary Models in Doubtful Cases, 200	
6.1	Model	·	
6.4		l Multiplicity, 202 Multiplicity of Autorographya Maying Average Models, 202	
		Multiplicity of Autoregressive–Moving Average Models, 202	
		Multiple Moment Solutions for Moving Average Parameters, 204	
A		Use of the Backward Process to Determine Starting Values, 205	
Appe		6.1 Expected Behavior of the Estimated Autocorrelation Function	
Evan		Nonstationary Process, 206	
EXCI	cises, 2	207	
Para	meter	Estimation	20
7.1	Study	of the Likelihood and Sum-of-Squares Functions, 209	
, , ,	•	Likelihood Function, 209	
		Conditional Likelihood for an ARIMA Process, 210	
		Choice of Starting Values for Conditional Calculation, 211	
		Unconditional Likelihood, Sum-of-Squares Function, and	
		Least-Squares Estimates, 213	
	7.1.5	General Procedure for Calculating the Unconditional Sum of	
	, ,	Squares, 216	
	7.1.6	Graphical Study of the Sum-of-Squares Function, 218	
	7.1.7		
		Regions, 220	
7.2	Nonli	near Estimation, 226	
	7.2.1	General Method of Approach, 226	
	7.2.2	Numerical Estimates of the Derivatives, 227	
	7.2.3	Direct Evaluation of the Derivatives, 228	
	7.2.4	General Least-Squares Algorithm for the Conditional Model, 229	
	7.2.5	ARIMA Models Fitted to Series A-F, 231	
	7.2.6	Large-Sample Information Matrices and Covariance Estimates, 233	,
7.3	Some	Estimation Results for Specific Models, 236	
	7.3.1	Autoregressive Processes, 236	
	7.3.2	Moving Average Processes, 238	
	7.3.3	Mixed Processes, 238	
	7.3.4	Separation of Linear and Nonlinear Components in Estimation, 239)
	7.3.5	Parameter Redundancy, 240	
7.4	Likeli	hood Function Based on the State-Space Model, 242	
7.5	Estim	ation Using Bayes' Theorem, 245	
	7.5.1	Bayes' Theorem, 245	
	7.5.2	Bayesian Estimation of Parameters, 246	
	7.5.3	Autoregressive Processes, 247	
	7.5.4	Moving Average Processes, 249	
	7.5.5	Mixed Processes, 250	

Appendix A7.1 Review of Normal Distribution Theory, 251

	A7.1.1 Partitioning of a Positive-Definite Quadratic Form, 251
	A7.1.2 Two Useful Integrals, 252
	A7.1.3 Normal Distribution, 253
	A7.1.4 Student's t Distribution, 255
App	pendix A7.2 Review of Linear Least-Squares Theory, 256
	A7.2.1 Normal Equations and Least Squares, 256
	A7.2.2 Estimation of Error Variance, 257
	A7.2.3 Covariance Matrix of Least-Squares Estimates, 257
	A7.2.4 Confidence Regions, 257
	A7.2.5 Correlated Errors, 258
App	pendix A7.3 Exact Likelihood Function for Moving Average and Mixed Processes, 259
App	pendix A7.4 Exact Likelihood Function for an Autoregressive Process, 266
	pendix A7.5 Asymptotic Distribution of Estimators for Autoregressive Models, 274
Apr	·
Apr	T
Δnr	Variances of Forecast Errors and Probability Limits for Forecasts, 277 pendix A7.7 Special Note on Estimation of Moving Average Parameters, 280
	endix A7.7 Special Note on Estimation of Moving Average Parameters, 280 rcises, 280
Lixe	icises, 200
Mod	del Diagnostic Checking
1410	del Diagnostic Checking 28
8.1	Checking the Stochastic Model, 284
	8.1.1 General Philosophy, 284
	8.1.2 Overfitting, 285
8.2	Diagnostic Checks Applied to Residuals, 287
	8.2.1 Autocorrelation Check, 287
	8.2.2 Portmanteau Lack-of-Fit Test, 289
	8.2.3 Model Inadequacy Arising from Changes in Parameter Values, 294
	8.2.4 Score Tests for Model Checking, 295
	8.2.5 Cumulative Periodogram Check, 297
8.3	Use of Residuals to Modify the Model, 301
	8.3.1 Nature of the Correlations in the Residuals When an Incorrect
	Model Is Used, 301
	8.3.2 Use of Residuals to Modify the Model, 302
Exe	rcises, 303
LIACI	
Ana	lysis of Seasonal Time Series
9.1	Parsimonious Models for Seasonal Time Series, 305
	9.1.1 Fitting Versus Forecasting, 306
	9.1.2 Seasonal Models Involving Adaptive Sines and Cosines, 307
	9.1.3 General Multiplicative Seasonal Model, 308
9.2	Representation of the Airline Data by a Multiplicative $(0, 1, 1) \times (0, 1, 1)_{12}$
	Model, 310
	9.2.1 Multiplicative $(0, 1, 1) \times (0, 1, 1)_{12}$ Model, 310
	9.2.2 Forecasting, 311
	9.2.3 Model Identification, 318
	9.2.4 Parameter Estimation, 320
	2.2.7 I diaminotoi Lomination, 340

		9.2.5	Diagnostic Checking, 324	
	9.3	Some A	Aspects of More General Seasonal ARIMA Models, 325	
		9.3.1	Multiplicative and Nonmultiplicative Models, 325	
		9.3.2	Model Identification, 327	
		9.3.3	Parameter Estimation, 328	
		9.3.4	Eventual Forecast Functions for Various Seasonal Models, 329	
		9.3.5	Choice of Transformation, 331	
	9.4	Structu	ral Component Models and Deterministic Seasonal	
		Compo	nents, 331	
		9.4.1	Structural Component Time Series Models, 332	
		9.4.2	Deterministic Seasonal and Trend Components and Common	
			Factors, 335	
		9.4.3	Estimation of Unobserved Components in Structural Models, 336	
	9.5	Regress	sion Models with Time Series Error Terms, 339	
		9.5.1	Model Building, Estimation, and Forecasting Procedures for	
			Regression Models, 340	
		9.5.2	Restricted Maximum Likelihood Estimation for Regression	
			Models, 344	
	Appe	endix A	9.1 Autocovariances for Some Seasonal Models, 345	
	Exer	cises, 3	49	
10	Add	itional T	Fopics and Extensions	352
	10.1	Tests	for Unit Roots in ARIMA Models, 353	
			Tests for Unit Roots in AR Models, 353	
			Extensions of Unit Root Testing to Mixed ARIMA Models, 358	
	10.2		itional Heteroscedastic Models, 361	
			The ARCH Model, 362	
		10.2.2	The GARCH Model, 366	
		10.2.3	Model Building and Parameter Estimation, 367	
		10.2.4	An Illustrative Example: Weekly S&P 500 Log Returns, 370	
		10.2.5	Extensions of the ARCH and GARCH Models, 372	
		10.2.6	Stochastic Volatility Models, 377	
	10.3	Nonli	inear Time Series Models, 377	
		10.3.1	Classes of Nonlinear Models, 378	
		10.3.2	Detection of Nonlinearity, 381	
		10.3.3	8 An Empirical Example, 382	
	10.4	Long	Memory Time Series Processes, 385	
		10.4.1	Fractionally Integrated Processes, 385	
		10.4.2	Estimation of Parameters, 389	
	Exer	cises, 3	92	
•·				
			TRANSFER FUNCTION AND MULTIVARIATE	
M(DDEI	. BUILI	DING	395
11	T		mation Madala	397
11	j rat	isier fill	nction Models	. 37/

11.1 Linear Transfer Function Models, 397

		11.1.	1 Discrete Transfer Function, 398
		11.1.	2 Continuous Dynamic Models Represented by Differential
			Equations, 400
	11.2	2 Disc	rete Dynamic Models Represented by Difference Equations, 404
		11.2.	1 General Form of the Difference Equation, 404
		11.2.	Nature of the Transfer Function, 406
		11.2.	First- and Second-Order Discrete Transfer Function Models, 40
		11.2.4	4 Recursive Computation of Output for Any Input. 412
		11.2.	Transfer Function Models with Added Noise 413
	11.3	Relai	tion Between Discrete and Continuous Models, 414
		11.3.	I Response to a Pulsed Input, 415
		11.3.2	Relationships for First- and Second-Order Coincident
			Systems, 417
		11.3.3	Approximating General Continuous Models by Discrete
			Models, 419
		endix A	
	Appo	endix A	11.2 Nonlinear Transfer Functions and Linearization 424
	Exer	cises, 4	26
•	T.J	4100	
4	iden	uncatio	n, Fitting, and Checking of Transfer Function Models
	12.1	Cross	-Correlation Function, 429
		12.1.1	Properties of the Cross-Covariance and Cross-Correlation
			Functions, 429
		12.1.2	Estimation of the Cross-Covariance and Cross-Correlation
			Functions, 431
		12.1.3	Approximate Standard Errors of Cross-Correlation
			Estimates, 433
	12.2	Identif	fication of Transfer Function Models, 435
		12.2.1	Identification of Transfer Function Models by Prewhitening the
			Input, 437
		12.2.2	Example of the Identification of a Transfer Function Model, 438
		12.2.3	identification of the Noise Model, 442
		12.2.4	Some General Considerations in Identifying Transfer Function
	10.0		Models, 444
	12.3	Fitting	and Checking Transfer Function Models, 446
		12.3.1	Conditional Sum-of-Squares Function, 446
		12.3.2	Nonlinear Estimation, 447
		12.3.3	Use of Residuals for Diagnostic Checking, 449
	12 4	12.5.4	Specific Checks Applied to the Residuals, 450
	12.4	Some E	Examples of Fitting and Checking Transfer Function Models, 453
		12.4.1	Fitting and Checking of the Gas Furnace Model, 453
1	125	12.4.2 Especia	Simulated Example with Two Inputs, 458
1	12.5	TOTECAS	sting with Transfer Function Models Using Leading Indicators, 461
		12.5.1	Minimum Mean Square Error Forecast, 461
		12.3.2	Forecast of CO ₂ Output from Gas Furnace, 465
		12.5.3	Forecast of Nonstationary Sales Data Using a Leading
			Indicator, 468

428

12.6	Some A	Aspects of the Design of Experiments to Estimate Transfer	
	Function	ons, 469	
Apper	ndix A12	2.1 Use of Cross-Spectral Analysis for Transfer Function Model	
	Identif	ication, 471	
		1 Identification of Single-Input Transfer Function Models, 471	
	A12.1.2	2 Identification of Multiple-Input Transfer Function Models, 472	
Apper	ndix A12	2.2 Choice of Input to Provide Optimal Parameter Estimates, 473	3
		1 Design of Optimal Inputs for a Simple System, 473	
	A12.2.2	2 Numerical Example, 476	
Exerc	ises, 47	7	
Interv	vention .	Analysis, Outlier Detection, and Missing Values	481
13.1	Interve	ention Analysis Methods, 481	
		Models for Intervention Analysis, 481	
		Example of Intervention Analysis, 484	
	13.1.3	Nature of the MLE for a Simple Level Change Parameter	
		Model, 485	
13.2	Outlier	r Analysis for Time Series, 488	
	13.2.1	Models for Additive and Innovational Outliers, 488	
	13.2.2	Estimation of Outlier Effect for Known Timing of the Outlier, 489	9
	13.2.3	Iterative Procedure for Outlier Detection, 491	
	13.2.4	Examples of Analysis of Outliers, 492	
13.3	Estima	tion for ARMA Models with Missing Values, 495	
	13.3.1	State-Space Model and Kalman Filter with Missing Values, 496	
	13.3.2	Estimation of Missing Values of an ARMA Process, 498	
Exerc	ises, 50	2	
Multi	variate	Time Series Analysis	505
14.1		eary Multivariate Time Series, 506 Cross Coveriance and Cross Correlation Matrices, 506	
		Cross-Covariance and Cross-Correlation Matrices, 506	
		Covariance Stationarity, 507 Vector White Noise Process, 507	
		· ·	
	14.1.4	Moving Average Representation of a Stationary Vector Process, 508	
14.2	Vector	Autoregressive Models, 509	
		VAR(p) Model, 509	
		Moment Equations and Yule-Walker Estimates, 510	
		Special Case: VAR(1) Model, 511	
		Numerical Example, 513	
		Initial Model Building and Least-Squares Estimation for VAR	
		Models, 515	
	14.2.6	Parameter Estimation and Model Checking, 518	
		An Empirical Example, 519	
14.3		Moving Average Models, 524	
		Vector MA(q) Model, 524	
		Special Case: Vector MA(1) Model, 525	
	14.3.3	Numerical Example, 525	

		14.3.4	Model Building for Vector MA Models, 526	
	14.4	Vecto	r Autoregressive-Moving Average Models, 527	
			Stationarity and Invertibility Conditions, 527	
			Covariance Matrix Properties of VARMA Processes, 528	
		14.4.3	Nonuniqueness and Parameter Identifiability for VARMA Models, 528	
		14.4.4	Model Specification for VARMA Processes, 529	
		14.4.5	Estimation and Model Checking for VARMA Models, 532	
		14.4.6	Relation of VARMA Models to Transfer Function and ARMAX Models, 533	
	14.5	Foreca	asting for Vector Autoregressive-Moving Average Processes, 534	
		14.5.1	Calculation of Forecasts from ARMA Difference Equation, 534	•
		14.5.2	Forecasts from Infinite VMA Form and Properties of Forecast Errors, 536	
	14.6	State-S	Space Form of the VARMA Model, 536	
	14.7		r Discussion of VARMA Model Specification, 539	
		14.7.1	Kronecker Structure for VARMA Models, 539	
			An Empirical Example, 543	
			Partial Canonical Correlation Analysis for Reduced-Rank	
			Structure, 545	
	14.8	Nonsta	tionarity and Cointegration, 546	
			Vector ARIMA Models, 546	
			Cointegration in Nonstationary Vector Processes, 547	
		14.8.3	Estimation and Inferences for Cointegrated VAR Models, 549	
	Appe	ndix A14	4.1 Spectral Characteristics and Linear Filtering Relations for	
		Station	ary Multivariate Processes, 552	
		A14.1.1		
		A14.1.2	Linear Filtering Relations for Stationary Multivariate Processes, 553	
	Exerc	ises, 554	1	
PA	RT FO	OUR D	ESIGN OF DISCRETE CONTROL SCHEMES	559
				237
15	Aspe	cts of Pro	ocess Control	561
	15.1	Process	Monitoring and Process Adjustment, 562	
		15.1.1	Process Monitoring, 562	
			Process Adjustment, 564	
	15.2		Adjustment Using Feedback Control, 566	
		15.2.1	Feedback Adjustment Chart, 567	
			Modeling the Feedback Loop, 569	
		15.2.3	Simple Models for Disturbances and Dynamics, 570	
		15.2.4	General Minimum Mean Square Error Feedback Control	
			Schemes, 573	
			Manual Adjustment for Discrete Proportional-Integral Schemes, 575	

COLLECTION OF TABLES AND CHARTS COLLECTION OF TIME SERIES USED FOR EXAMPLES IN THE TEXT AND IN EXERCISES REFERENCES 619 625		15.2.6	Complementary Roles of Monitoring and Adjustment, 578	
15.4 Minimum Cost Control with Fixed Costs of Adjustment and Monitoring, 582 15.4.1 Bounded Adjustment Scheme for Fixed Adjustment Cost, 583 15.4.2 Indirect Approach for Obtaining a Bounded Adjustment Scheme, 584 15.4.3 Inclusion of the Cost of Monitoring, 585 15.5 Feedforward Control, 588 15.5.1 Feedforward Control to Minimize Mean Square Error at the Output, 588 15.5.2 An Example: Control of the Specific Gravity of an Intermediate Product, 591 15.5.3 Feedforward Control with Multiple Inputs, 593 15.5.4 Feedforward-Feedback Control, 594 15.5.5 Advantages and Disadvantages of Feedforward and Feedback Control, 596 15.5.6 Remarks on Fitting Transfer Function-Noise Models Using Operating Data, 597 15.6 Monitoring Values of Parameters of Forecasting and Feedback Adjustment Schemes, 599 Appendix A15.1 Feedback Control Schemes Where the Adjustment Variance Is Restricted, 600 A15.1.1 Derivation of Optimal Adjustment, 601 A15.1.2 Case Where δ Is Negligible, 603 Appendix A15.2 Choice of the Sampling Interval, 609 A15.2.1 Illustration of the Effect of Reducing Sampling Frequency, 610 A15.2.2 Sampling an IMA(0, 1, 1) Process, 610 Exercises, 613 PART FIVE CHARTS AND TABLES COLLECTION OF TABLES AND CHARTS 615 COLLECTION OF TIME SERIES USED FOR EXAMPLES IN THE TEXT AND IN EXERCISES 625 REFERENCES	15.3	Excess	ive Adjustment Sometimes Required by MMSE Control, 580	
Monitoring, 582 15.4.1 Bounded Adjustment Scheme for Fixed Adjustment Cost, 583 15.4.2 Indirect Approach for Obtaining a Bounded Adjustment Scheme, 584 15.4.3 Inclusion of the Cost of Monitoring, 585 15.5 Feedforward Control, 588 15.5.1 Feedforward Control to Minimize Mean Square Error at the Output, 588 15.5.2 An Example: Control of the Specific Gravity of an Intermediate Product, 591 15.5.3 Feedforward Control with Multiple Inputs, 593 15.5.4 Feedforward-Feedback Control, 594 15.5.5 Advantages and Disadvantages of Feedforward and Feedback Control, 596 15.5.6 Remarks on Fitting Transfer Function-Noise Models Using Operating Data, 597 15.6 Monitoring Values of Parameters of Forecasting and Feedback Adjustment Schemes, 599 Appendix A15.1 Feedback Control Schemes Where the Adjustment Variance Is Restricted, 600 A15.1.1 Derivation of Optimal Adjustment, 601 A15.1.2 Case Where δ Is Negligible, 603 Appendix A15.2 Choice of the Sampling Interval, 609 A15.2.1 Illustration of the Effect of Reducing Sampling Frequency, 610 A15.2.2 Sampling an IMA(0, 1, 1) Process, 610 Exercises, 613 PART FIVE CHARTS AND TABLES 615 COLLECTION OF TABLES AND CHARTS 615 COLLECTION OF TABLES AND CHARTS 615 COLLECTION OF TIME SERIES USED FOR EXAMPLES IN THE TEXT AND IN EXERCISES 625 REFERENCES 642		15.3.1	Constrained Control, 581	
15.4.1 Bounded Adjustment Scheme for Fixed Adjustment Cost, 583 15.4.2 Indirect Approach for Obtaining a Bounded Adjustment Scheme, 584 15.4.3 Inclusion of the Cost of Monitoring, 585 15.5 Feedforward Control, 588 15.5.1 Feedforward Control to Minimize Mean Square Error at the Output, 588 15.5.2 An Example: Control of the Specific Gravity of an Intermediate Product, 591 15.5.3 Feedforward Control with Multiple Inputs, 593 15.5.4 Feedforward-Feedback Control, 594 15.5.5 Advantages and Disadvantages of Feedforward and Feedback Control, 596 15.5.6 Remarks on Fitting Transfer Function-Noise Models Using Operating Data, 597 15.6 Monitoring Values of Parameters of Forecasting and Feedback Adjustment Schemes, 599 Appendix A15.1 Feedback Control Schemes Where the Adjustment Variance Is Restricted, 600 A15.1.1 Derivation of Optimal Adjustment, 601 A15.1.2 Case Where δ Is Negligible, 603 Appendix A15.2 Choice of the Sampling Interval, 609 A15.2.1 Illustration of the Effect of Reducing Sampling Frequency, 610 A15.2.2 Sampling an IMA(0, 1, 1) Process, 610 Exercises, 613 PART FIVE CHARTS AND TABLES COLLECTION OF TABLES AND CHARTS COLLECTION OF TIME SERIES USED FOR EXAMPLES IN THE TEXT AND IN EXERCISES REFERENCES 625	15.4	Minim	um Cost Control with Fixed Costs of Adjustment and	
15.4.2 Indirect Approach for Obtaining a Bounded Adjustment Scheme, 584 15.4.3 Inclusion of the Cost of Monitoring, 585 15.5 Feedforward Control, 588 15.5.1 Feedforward Control to Minimize Mean Square Error at the Output, 588 15.5.2 An Example: Control of the Specific Gravity of an Intermediate Product, 591 15.5.3 Feedforward Control with Multiple Inputs, 593 15.5.4 Feedforward-Feedback Control, 594 15.5.5 Advantages and Disadvantages of Feedforward and Feedback Control, 596 15.5.6 Remarks on Fitting Transfer Function-Noise Models Using Operating Data, 597 15.6 Monitoring Values of Parameters of Forecasting and Feedback Adjustment Schemes, 599 Appendix A15.1 Feedback Control Schemes Where the Adjustment Variance Is Restricted, 600 A15.1.1 Derivation of Optimal Adjustment, 601 A15.1.2 Case Where δ Is Negligible, 603 Appendix A15.2 Choice of the Sampling Interval, 609 A15.2.1 Illustration of the Effect of Reducing Sampling Frequency, 610 A15.2.2 Sampling an IMA(0, 1, 1) Process, 610 Exercises, 613 PART FIVE CHARTS AND TABLES COLLECTION OF TABLES AND CHARTS 615 COLLECTION OF TIME SERIES USED FOR EXAMPLES IN THE TEXT AND IN EXERCISES 625 REFERENCES		Monito	oring, 582	
Scheme, 584 15.4.3 Inclusion of the Cost of Monitoring, 585 15.5 Feedforward Control, 588 15.5.1 Feedforward Control to Minimize Mean Square Error at the Output, 588 15.5.2 An Example: Control of the Specific Gravity of an Intermediate Product, 591 15.5.3 Feedforward Control with Multiple Inputs, 593 15.5.4 Feedforward-Feedback Control, 594 15.5.5 Advantages and Disadvantages of Feedforward and Feedback Control, 596 15.6 Remarks on Fitting Transfer Function-Noise Models Using Operating Data, 597 15.6 Monitoring Values of Parameters of Forecasting and Feedback Adjustment Schemes, 599 Appendix A15.1 Feedback Control Schemes Where the Adjustment Variance Is Restricted, 600 A15.1.1 Derivation of Optimal Adjustment, 601 A15.1.2 Case Where & Is Negligible, 603 Appendix A15.2 Choice of the Sampling Interval, 609 A15.2.1 Illustration of the Effect of Reducing Sampling Frequency, 610 A15.2.2 Sampling an IMA(0, 1, 1) Process, 610 Exercises, 613 PART FIVE CHARTS AND TABLES 617 COLLECTION OF TABLES AND CHARTS COLLECTION OF TIME SERIES USED FOR EXAMPLES IN THE TEXT AND IN EXERCISES 625 REFERENCES		15.4.1	Bounded Adjustment Scheme for Fixed Adjustment Cost, 583	
15.4.3 Inclusion of the Cost of Monitoring, 585 15.5 Feedforward Control, 588 15.5.1 Feedforward Control to Minimize Mean Square Error at the Output, 588 15.5.2 An Example: Control of the Specific Gravity of an Intermediate Product, 591 15.5.3 Feedforward Control with Multiple Inputs, 593 15.5.4 Feedforward-Feedback Control, 594 15.5.5 Advantages and Disadvantages of Feedforward and Feedback Control, 596 15.5.6 Remarks on Fitting Transfer Function-Noise Models Using Operating Data, 597 15.6 Monitoring Values of Parameters of Forecasting and Feedback Adjustment Schemes, 599 Appendix A15.1 Feedback Control Schemes Where the Adjustment Variance Is Restricted, 600 A15.1.1 Derivation of Optimal Adjustment, 601 A15.1.2 Case Where & Is Negligible, 603 Appendix A15.2 Choice of the Sampling Interval, 609 A15.2.1 Illustration of the Effect of Reducing Sampling Frequency, 610 A15.2.2 Sampling an IMA(0, 1, 1) Process, 610 Exercises, 613 PART FIVE CHARTS AND TABLES COLLECTION OF TIME SERIES USED FOR EXAMPLES IN THE TEXT AND IN EXERCISES 625 REFERENCES 626		15.4.2	Indirect Approach for Obtaining a Bounded Adjustment	
15.5 Feedforward Control, 588 15.5.1 Feedforward Control to Minimize Mean Square Error at the Output, 588 15.5.2 An Example: Control of the Specific Gravity of an Intermediate Product, 591 15.5.3 Feedforward Control with Multiple Inputs, 593 15.5.4 Feedforward-Feedback Control, 594 15.5.5 Advantages and Disadvantages of Feedforward and Feedback Control, 596 15.5.6 Remarks on Fitting Transfer Function-Noise Models Using Operating Data, 597 15.6 Monitoring Values of Parameters of Forecasting and Feedback Adjustment Schemes, 599 Appendix A15.1 Feedback Control Schemes Where the Adjustment Variance Is Restricted, 600 A15.1.1 Derivation of Optimal Adjustment, 601 A15.1.2 Case Where δ Is Negligible, 603 Appendix A15.2 Choice of the Sampling Interval, 609 A15.2.1 Illustration of the Effect of Reducing Sampling Frequency, 610 A15.2.2 Sampling an IMA(0, 1, 1) Process, 610 Exercises, 613 PART FIVE CHARTS AND TABLES 617 COLLECTION OF TABLES AND CHARTS 618 COLLECTION OF TIME SERIES USED FOR EXAMPLES IN THE TEXT AND IN EXERCISES 625 REFERENCES			Scheme, 584	
15.5.1 Feedforward Control to Minimize Mean Square Error at the Output, 588 15.5.2 An Example: Control of the Specific Gravity of an Intermediate Product, 591 15.5.3 Feedforward Control with Multiple Inputs, 593 15.5.4 Feedforward-Feedback Control, 594 15.5.5 Advantages and Disadvantages of Feedforward and Feedback Control, 596 15.5.6 Remarks on Fitting Transfer Function-Noise Models Using Operating Data, 597 15.6 Monitoring Values of Parameters of Forecasting and Feedback Adjustment Schemes, 599 Appendix A15.1 Feedback Control Schemes Where the Adjustment Variance Is Restricted, 600 A15.1.1 Derivation of Optimal Adjustment, 601 A15.1.2 Case Where δ Is Negligible, 603 Appendix A15.2 Choice of the Sampling Interval, 609 A15.2.1 Illustration of the Effect of Reducing Sampling Frequency, 610 A15.2.2 Sampling an IMA(0, 1, 1) Process, 610 Exercises, 613 PART FIVE CHARTS AND TABLES 617 COLLECTION OF TABLES AND CHARTS 618 COLLECTION OF TIME SERIES USED FOR EXAMPLES IN THE TEXT AND IN EXERCISES 625 REFERENCES				
Output, 588 15.5.2 An Example: Control of the Specific Gravity of an Intermediate Product, 591 15.5.3 Feedforward Control with Multiple Inputs, 593 15.5.4 Feedforward–Feedback Control, 594 15.5.5 Advantages and Disadvantages of Feedforward and Feedback Control, 596 15.5.6 Remarks on Fitting Transfer Function–Noise Models Using Operating Data, 597 15.6 Monitoring Values of Parameters of Forecasting and Feedback Adjustment Schemes, 599 Appendix A15.1 Feedback Control Schemes Where the Adjustment Variance Is Restricted, 600 A15.1.1 Derivation of Optimal Adjustment, 601 A15.1.2 Case Where δ Is Negligible, 603 Appendix A15.2 Choice of the Sampling Interval, 609 A15.2.1 Illustration of the Effect of Reducing Sampling Frequency, 610 A15.2.2 Sampling an IMA(0, 1, 1) Process, 610 Exercises, 613 PART FIVE CHARTS AND TABLES COLLECTION OF TABLES AND CHARTS 615 COLLECTION OF TIME SERIES USED FOR EXAMPLES IN THE TEXT AND IN EXERCISES 626 REFERENCES	15.5			
Product, 591 15.5.3 Feedforward Control with Multiple Inputs, 593 15.5.4 Feedforward–Feedback Control, 594 15.5.5 Advantages and Disadvantages of Feedforward and Feedback Control, 596 15.5.6 Remarks on Fitting Transfer Function–Noise Models Using Operating Data, 597 15.6 Monitoring Values of Parameters of Forecasting and Feedback Adjustment Schemes, 599 Appendix A15.1 Feedback Control Schemes Where the Adjustment Variance Is Restricted, 600 A15.1.1 Derivation of Optimal Adjustment, 601 A15.1.2 Case Where δ Is Negligible, 603 Appendix A15.2 Choice of the Sampling Interval, 609 A15.2.1 Illustration of the Effect of Reducing Sampling Frequency, 610 A15.2.2 Sampling an IMA(0, 1, 1) Process, 610 Exercises, 613 PART FIVE CHARTS AND TABLES COLLECTION OF TABLES AND CHARTS 615 COLLECTION OF TIME SERIES USED FOR EXAMPLES IN THE TEXT AND IN EXERCISES 625 REFERENCES		15.5.1		
15.5.3 Feedforward Control with Multiple Inputs, 593 15.5.4 Feedforward–Feedback Control, 594 15.5.5 Advantages and Disadvantages of Feedforward and Feedback Control, 596 15.5.6 Remarks on Fitting Transfer Function–Noise Models Using Operating Data, 597 15.6 Monitoring Values of Parameters of Forecasting and Feedback Adjustment Schemes, 599 Appendix A15.1 Feedback Control Schemes Where the Adjustment Variance Is Restricted, 600 A15.1.1 Derivation of Optimal Adjustment, 601 A15.1.2 Case Where δ Is Negligible, 603 Appendix A15.2 Choice of the Sampling Interval, 609 A15.2.1 Illustration of the Effect of Reducing Sampling Frequency, 610 A15.2.2 Sampling an IMA(0, 1, 1) Process, 610 Exercises, 613 PART FIVE CHARTS AND TABLES 615 COLLECTION OF TABLES AND CHARTS 616 COLLECTION OF TIME SERIES USED FOR EXAMPLES IN THE TEXT AND IN EXERCISES 625 REFERENCES		15.5.2	An Example: Control of the Specific Gravity of an Intermediate	
15.5.4 Feedforward–Feedback Control, 594 15.5.5 Advantages and Disadvantages of Feedforward and Feedback Control, 596 15.5.6 Remarks on Fitting Transfer Function–Noise Models Using Operating Data, 597 15.6 Monitoring Values of Parameters of Forecasting and Feedback Adjustment Schemes, 599 Appendix A15.1 Feedback Control Schemes Where the Adjustment Variance Is Restricted, 600 A15.1.1 Derivation of Optimal Adjustment, 601 A15.1.2 Case Where δ Is Negligible, 603 Appendix A15.2 Choice of the Sampling Interval, 609 A15.2.1 Illustration of the Effect of Reducing Sampling Frequency, 610 A15.2.2 Sampling an IMA(0, 1, 1) Process, 610 Exercises, 613 PART FIVE CHARTS AND TABLES 617 COLLECTION OF TABLES AND CHARTS 618 COLLECTION OF TIME SERIES USED FOR EXAMPLES IN THE TEXT AND IN EXERCISES 625 REFERENCES			Product, 591	
15.5.5 Advantages and Disadvantages of Feedforward and Feedback Control, 596 15.5.6 Remarks on Fitting Transfer Function–Noise Models Using Operating Data, 597 15.6 Monitoring Values of Parameters of Forecasting and Feedback Adjustment Schemes, 599 Appendix A15.1 Feedback Control Schemes Where the Adjustment Variance Is Restricted, 600 A15.1.1 Derivation of Optimal Adjustment, 601 A15.1.2 Case Where δ Is Negligible, 603 Appendix A15.2 Choice of the Sampling Interval, 609 A15.2.1 Illustration of the Effect of Reducing Sampling Frequency, 610 A15.2.2 Sampling an IMA(0, 1, 1) Process, 610 Exercises, 613 PART FIVE CHARTS AND TABLES COLLECTION OF TABLES AND CHARTS COLLECTION OF TIME SERIES USED FOR EXAMPLES IN THE TEXT AND IN EXERCISES 625 REFERENCES		15.5.3	Feedforward Control with Multiple Inputs, 593	
Control, 596 15.5.6 Remarks on Fitting Transfer Function–Noise Models Using Operating Data, 597 15.6 Monitoring Values of Parameters of Forecasting and Feedback Adjustment Schemes, 599 Appendix A15.1 Feedback Control Schemes Where the Adjustment Variance Is Restricted, 600 A15.1.1 Derivation of Optimal Adjustment, 601 A15.1.2 Case Where δ Is Negligible, 603 Appendix A15.2 Choice of the Sampling Interval, 609 A15.2.1 Illustration of the Effect of Reducing Sampling Frequency, 610 A15.2.2 Sampling an IMA(0, 1, 1) Process, 610 Exercises, 613 PART FIVE CHARTS AND TABLES COLLECTION OF TABLES AND CHARTS COLLECTION OF TIME SERIES USED FOR EXAMPLES IN THE TEXT AND IN EXERCISES 625 REFERENCES		15.5.4	Feedforward-Feedback Control, 594	
Operating Data, 597 15.6 Monitoring Values of Parameters of Forecasting and Feedback Adjustment Schemes, 599 Appendix A15.1 Feedback Control Schemes Where the Adjustment Variance Is Restricted, 600 A15.1.1 Derivation of Optimal Adjustment, 601 A15.1.2 Case Where δ Is Negligible, 603 Appendix A15.2 Choice of the Sampling Interval, 609 A15.2.1 Illustration of the Effect of Reducing Sampling Frequency, 610 A15.2.2 Sampling an IMA(0, 1, 1) Process, 610 Exercises, 613 PART FIVE CHARTS AND TABLES 617 COLLECTION OF TABLES AND CHARTS 618 COLLECTION OF TIME SERIES USED FOR EXAMPLES IN THE TEXT AND IN EXERCISES 625 REFERENCES		15.5.5		
15.6 Monitoring Values of Parameters of Forecasting and Feedback Adjustment Schemes, 599 Appendix A15.1 Feedback Control Schemes Where the Adjustment Variance Is Restricted, 600 A15.1.1 Derivation of Optimal Adjustment, 601 A15.1.2 Case Where δ Is Negligible, 603 Appendix A15.2 Choice of the Sampling Interval, 609 A15.2.1 Illustration of the Effect of Reducing Sampling Frequency, 610 A15.2.2 Sampling an IMA(0, 1, 1) Process, 610 Exercises, 613 PART FIVE CHARTS AND TABLES 617 COLLECTION OF TABLES AND CHARTS 618 COLLECTION OF TIME SERIES USED FOR EXAMPLES IN THE TEXT AND IN EXERCISES 625 REFERENCES		15.5.6		
Adjustment Schemes, 599 Appendix A15.1 Feedback Control Schemes Where the Adjustment Variance Is Restricted, 600 A15.1.1 Derivation of Optimal Adjustment, 601 A15.1.2 Case Where δ Is Negligible, 603 Appendix A15.2 Choice of the Sampling Interval, 609 A15.2.1 Illustration of the Effect of Reducing Sampling Frequency, 610 A15.2.2 Sampling an IMA(0, 1, 1) Process, 610 Exercises, 613 PART FIVE CHARTS AND TABLES 617 COLLECTION OF TABLES AND CHARTS 618 COLLECTION OF TIME SERIES USED FOR EXAMPLES IN THE TEXT AND IN EXERCISES 625 REFERENCES	15.6	Monito	A	
Is Restricted, 600 A15.1.1 Derivation of Optimal Adjustment, 601 A15.1.2 Case Where δ Is Negligible, 603 Appendix A15.2 Choice of the Sampling Interval, 609 A15.2.1 Illustration of the Effect of Reducing Sampling Frequency, 610 A15.2.2 Sampling an IMA(0, 1, 1) Process, 610 Exercises, 613 PART FIVE CHARTS AND TABLES 617 COLLECTION OF TABLES AND CHARTS 619 COLLECTION OF TIME SERIES USED FOR EXAMPLES IN THE TEXT AND IN EXERCISES 625 REFERENCES				
A15.1.1 Derivation of Optimal Adjustment, 601 A15.1.2 Case Where δ Is Negligible, 603 Appendix A15.2 Choice of the Sampling Interval, 609 A15.2.1 Illustration of the Effect of Reducing Sampling Frequency, 610 A15.2.2 Sampling an IMA(0, 1, 1) Process, 610 Exercises, 613 PART FIVE CHARTS AND TABLES COLLECTION OF TABLES AND CHARTS COLLECTION OF TIME SERIES USED FOR EXAMPLES IN THE TEXT AND IN EXERCISES 625 REFERENCES	Apper	idix A15	5.1 Feedback Control Schemes Where the Adjustment Variance	
A15.1.2 Case Where δ Is Negligible, 603 Appendix A15.2 Choice of the Sampling Interval, 609 A15.2.1 Illustration of the Effect of Reducing Sampling Frequency, 610 A15.2.2 Sampling an IMA(0, 1, 1) Process, 610 Exercises, 613 PART FIVE CHARTS AND TABLES 617 COLLECTION OF TABLES AND CHARTS COLLECTION OF TIME SERIES USED FOR EXAMPLES IN THE TEXT AND IN EXERCISES 625 REFERENCES 642		Is Rest	ricted, 600	
Appendix A15.2 Choice of the Sampling Interval, 609 A15.2.1 Illustration of the Effect of Reducing Sampling Frequency, 610 A15.2.2 Sampling an IMA(0, 1, 1) Process, 610 Exercises, 613 PART FIVE CHARTS AND TABLES 617 COLLECTION OF TABLES AND CHARTS 619 COLLECTION OF TIME SERIES USED FOR EXAMPLES IN THE TEXT AND IN EXERCISES 625 REFERENCES 642		A15.1.1	Derivation of Optimal Adjustment, 601	
A15.2.1 Illustration of the Effect of Reducing Sampling Frequency, 610 A15.2.2 Sampling an IMA(0, 1, 1) Process, 610 Exercises, 613 PART FIVE CHARTS AND TABLES COLLECTION OF TABLES AND CHARTS COLLECTION OF TIME SERIES USED FOR EXAMPLES IN THE TEXT AND IN EXERCISES 625 REFERENCES 642		A15.1.2	2 Case Where δ Is Negligible, 603	
A15.2.2 Sampling an IMA(0, 1, 1) Process, 610 Exercises, 613 PART FIVE CHARTS AND TABLES COLLECTION OF TABLES AND CHARTS COLLECTION OF TIME SERIES USED FOR EXAMPLES IN THE TEXT AND IN EXERCISES REFERENCES 625	Apper			
Exercises, 613 PART FIVE CHARTS AND TABLES COLLECTION OF TABLES AND CHARTS COLLECTION OF TIME SERIES USED FOR EXAMPLES IN THE TEXT AND IN EXERCISES REFERENCES 625		A15.2.1	Illustration of the Effect of Reducing Sampling Frequency, 610)
PART FIVE CHARTS AND TABLES COLLECTION OF TABLES AND CHARTS COLLECTION OF TIME SERIES USED FOR EXAMPLES IN THE TEXT AND IN EXERCISES REFERENCES 617 619 625		A15.2.2	2 Sampling an IMA(0, 1, 1) Process, 610	
COLLECTION OF TABLES AND CHARTS COLLECTION OF TIME SERIES USED FOR EXAMPLES IN THE TEXT AND IN EXERCISES REFERENCES 619 625	Exerc	ises, 613	3	
COLLECTION OF TIME SERIES USED FOR EXAMPLES IN THE TEXT AND IN EXERCISES REFERENCES 642	PART FI	VE CI	HARTS AND TABLES	617
TEXT AND IN EXERCISES REFERENCES 625	COLLEC	TION (OF TABLES AND CHARTS	619
TEXT AND IN EXERCISES REFERENCES 625	COLLEC	TION (OF TIME SERIES USED FOR EXAMPLES IN THE	
REFERENCES 642				625
INDEX 659				642
	INDEX			659