

ON THE CENTERED MOVING AVERAGE AND SIMPLE PROPORTION METHODS FOR SEASONAL TIME SERIES

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ABSTRACT

Centered moving average and simple proportion methods are two most popular forecasting techniques mentioned in POM for seasonal time series. In this paper, accuracy and precision of both methods for various seasonal time series "with linear trends" are investigated. Simulation results show that both centered moving average method and simple proportion method is biased for those seasonal time series with trends. Under this circumstance (of biasness), forecasting accuracy is further investigated by using the criteria of MAD (Mean Absolute Deviation).