IDIS 344 Forecasting labs Exercise II – Version 1

This is in continuation of the forecasting exercise.

After successfully making a forecast for product having trend component, the management has decided to give you a tougher assignment - To make a seasonal forecast!

You have been provided the demand for the last 2 years (104 weeks).

Items to be used for exercise:

- Premium imported grapes (item 6) . Use Store 1 data.

Forecasting with trend and seasonality

Use an α value among 0.3, 0.4, 0.6; a β value among 0.2, 0.3, 0.4 and γ of 0.2, 0.3 ,0.4 to get the minimum WMAPE. The management feels that the demand is affected by seasonal variations. The initial forecast value and initial trend value as given in the excel sheet under "initial forecasts".

To find the seasonal index, use the data from 2005, 2006 and 2007.

- The minimum WMAPE =
- The best value of α =
- The best value of β =
- The best value of γ =
- The forecasted demand for 1st week of 2010 =

Forecasting with trend and seasonality (Using MS Solver)

Use the solver package in MS excel to find the value of α , β and γ which gives the minimum value of WMAPE. Take up to 3 decimal accuracy. Take initial forecast and initial trend and last 3 years seasonality data as same.

- The minimum WMAPE =
    - The best value of α =
    - The best value of β =
    - The best value of γ =
- The forecasted demand for 1st week of 2010 =

Exercise: The excel sheet is to be mailed to *your respective email address* depending on the section you are registered for. All the necessary details (as listed in requirements) should be filled up. **Mention your exercise version number in the submission.**