

Answer on Question #84131 – Math – Statistics and Probability

Question

Plot the following data about demand for an item. Find the moving averages by taking $n = 3$. Use these to forecast next two months' demand.

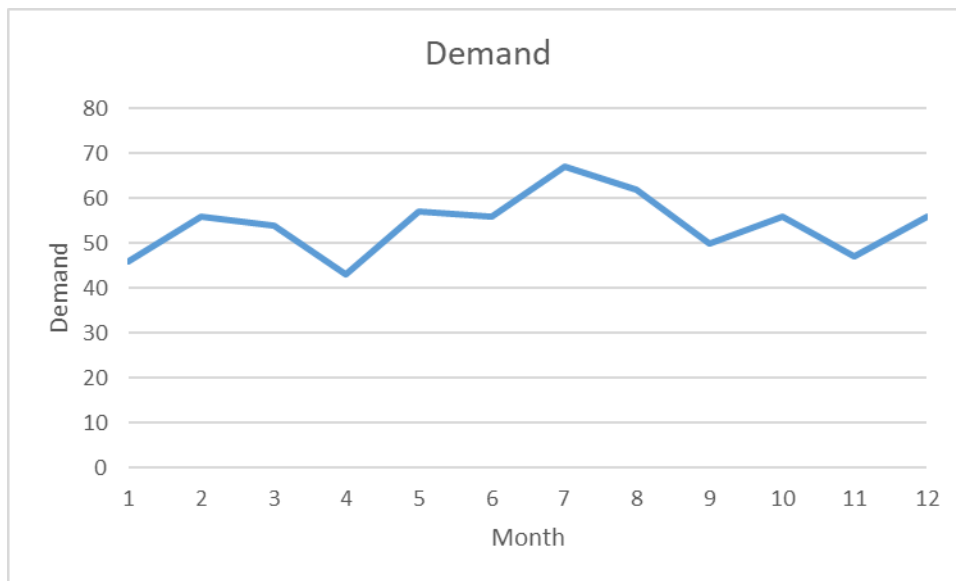
Month 1 2 3 4 5 6 7

Demand 46 56 54 43 57 56 67

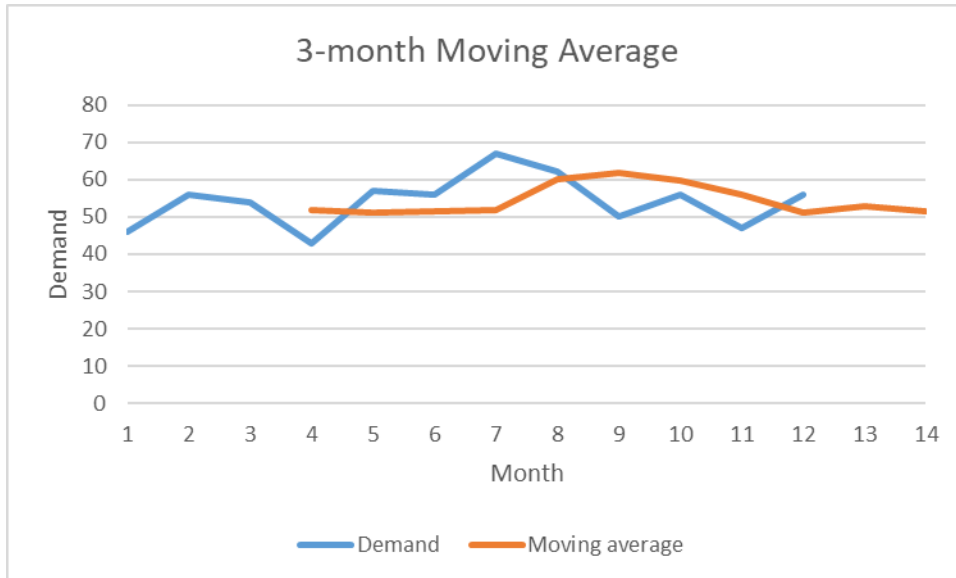
Month 8 9 10 11 12

Demand 62 50 56 47 56

Solution



Month	Demand	Moving average
1	46	#N/A
2	56	#N/A
3	54	52
4	43	52
5	57	51
6	56	51.33
7	67	52
8	62	60
9	50	61.67
10	56	59.67
11	47	56
12	56	51
13		53
14		51.33



Forecast:

For Month 13 Demand is $\frac{56+47+56}{3} = 53$.

For Month 14 Demand is $\frac{47+56+53}{3} = 51.33$.