Homework 2. Due Monday September 30.

1 . Download two or three series as you can find for real quarterly U.S. GDP per capita and something else like consumption, investment, or what you feel like. (I assume you would go the Bureau of Economic Analysis or maybe FRED.)

2. Test if you series have unit roots.

   3. Use difference of log data (unless you use series like interest rates or unemployment rates) and estimate a VAR(1). Chose an ordering and calculate the impulse response functions on the computer.

4 . Repeat question 1. for an AR(2) model.