

# MPE\_AMEM: Final Project

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## Setup

We start forecast in 2015Q1.

First, run just "plain forecast" = forecast without any shocks (expect the external assumptions, they should always be there).

Second, identify the shocks that we should add to the forecast, based on your understanding of what happened in Azerbaijan in 2015-2016.

Third, compare your forecast to reality. Iterate if necessary.

## Output

Two parts: forecast and text.

Forecast = PDF report generated by the codes + Matlab figure comparing forecast and historical data.

Text = approx 1.5 page explaining the rationale behind the text

About the text:

- Audience is your macroeconomics teachers: do not know QPM, but understand jargon and economics
- I'll provide examples in Study materials; you should not put so many numbers and so much background, go for something similar but simpler (e.g. Master's vs Bachelor's thesis)
- Describe the whole forecast period - immediate shocks + long term trends
- Avoid talking about technical model variables (gaps and trends), use normal economic language
- This is a test if you really understand what drives the numbers

Deadline May 31?