

# Time Series Inference Applications of R in Finance and Econometrics

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This paper reviews some recent applications of R software for handling difficult statistical inference issues when the available time series data are state-dependent and evolutionary, rather than stationary. Traditional methods call for first converting the data to stationary to obtain reliable inference when the underlying series are integrated of order  $d$ ,  $I(d)$ . We propose an alternative which uses the R package meboot for maximum entropy bootstrap. We report some interesting new simulations and applications to econometrics and Finance. For example, we show how the problem of spurious regression can be solved. The proposal has the potential of bypassing a great deal of unit root testing literature.