

Forecast Accuracy

The calculation of error is used to determine the accuracy of different forecasting methods and to help determine alpha for exponential smoothing. The word *error* is used differently in statistics. Error describes the different between actual and forecasted values.

Week	Actual Value	Forecast	Error	error	error^2	ABS %
1	47					
2	48	47				
3	52	48				
4	51	52				
5	54	51				
6	58	54				
7		58				

For the data set above, calculate:

1. MAE (Mean Absolute Error), $MAE = \frac{\sum |error|}{n}$
2. MSE (Mean Squared Error), $MSE = \frac{\sum error^2}{n}$
3. MAPE (Mean Absolute Percentage Error), $MAPE = \frac{\sum (ABS \%)}{n}$