Q. As a BITs trained Data Scientist, you were asked by a Bank to evaluate two Models to predict whether a customer is likely to default on a loan. Based on the values provided, you have to recommend one of these to your clients.

a) Which Metrics would you consider to evaluate these two models. Evaluate and compare the Metrics

b) Which Model would you recommend based on your evaluation

Prediction

Actual	Default Yes	Default No	Total
Default Yes	12	3	15
Default No	8	2	10
Total	20	5	25

Model 1

Prediction

Actual	Default Yes	Default No	Total
Default Yes	13	2	15
Default No	7	3	10
Total	20	5	25

Model 2

Answer Key

(a)

	Model 1	Model 2
Recall	0.80	0.87
Precision	0.60	0.65
Accuracy	0.56	0.80
F1 Score	0.69	0.74

(b)

Model 2