



# Hands-On Learning Activity: Generative AI Overview

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In this Hands-On Learning activity, you will explore the foundational concepts of Generative AI, its distinction from Traditional AI, and the importance of prompt engineering. You will apply your understanding through a series of structured tasks that mirror real-world applications in financial modeling.

## Step 1: Understand Generative AI vs Traditional AI



- ▶ List 3 key differences between Generative AI and Traditional AI in a table format.
- ▶ For each difference, provide a brief financial modeling use-case where Generative AI has an advantage.

## Step 2: Analyze Prompt Effectiveness



- ▶ Review the two prompts below and identify which one is more effective and why:
- ▶ Prompt A: 'Forecast sales for next quarter.'
- ▶ Prompt B: 'Generate a sales forecast for Q4, considering historical revenue, seasonality, and market trends over the last 5 years.'
- ▶ Write your response in 100–150 words.

## Step 3: Create Your Own Financial Prompt



- ▶ Write a detailed prompt you would give a Generative AI model to create a financial summary for an investment portfolio's past 12 months.
- ▶ Include context, input type, expected output format, and level of detail.

## Step 4: Scenario Comparison



- ▶ Imagine you're using a Generative AI model to generate what-if scenarios for Q1 cash flow.
- ▶ Describe 3 unique scenarios you would simulate and what financial inputs you would vary in each.
- ▶ Present your answer in bullet points with brief justifications.

## Step 5: Reflect and Summarize



- ▶ Write a short reflection (150–200 words) on how Generative AI can improve your financial modeling processes.
- ▶ Present your answer in bullet points with brief justifications.