ASSIGNMENT - 2

1. What are the 5 major common challenges of the telecom industry, and how to

overcome them using AI?

Ans: The telecom industry faces several hurdles, but AI can be a game-changer:

* Poor Network Management: Traditionally, managing network traffic spikes is reactive. AI can analyze historical data and predict peak times, allowing proactive adjustments for a smoother experience.
* Big Data Overload: Telecom companies generate massive amounts of data. AI can sift through this data to identify patterns and optimize network performance, resource allocation, and even predict equipment failures for preventive maintenance.
* High Operational Costs: Many tasks rely on manual labor. AI-powered chatbots can handle basic customer service inquiries, freeing up human agents for complex issues. AI can also automate network monitoring and maintenance tasks.
* Customer Churn Prediction: Losing customers hurts. AI can analyze customer behavior to identify potential churn and recommend targeted promotions or loyalty programs to keep them satisfied.
* Evolving Customer Demands: Customer expectations are ever-changing. AI can personalize customer experiences by analyzing preferences and recommending relevant services or plans.

2. What problems is the banking industry facing now?

Ans: The banking industry faces challenges too, but AI offers promising solutions:

* Cybersecurity Threats: Fraud and cyberattacks are constant threats. AI can analyze transaction patterns to detect anomalies and prevent fraudulent activities in real-time.
* Manual Processes: Loan approvals, document review, and customer service can be time-consuming. AI can automate these tasks, improving efficiency and reducing errors.
* Compliance Requirements: Regulations are complex and ever-changing. AI can help ensure compliance by analyzing data and identifying potential regulatory risks.

3. How is artificial intelligence used in banking?

Ans: AI is transforming banking in several ways:

* Automated Tasks: Repetitive tasks like data entry, document review, and customer service inquiries are handled by AI-powered tools, freeing up human employees for more complex tasks.
* Fraud Detection: AI analyzes vast amounts of transaction data to identify unusual patterns and prevent fraudulent activities in real-time.
* Risk Management: AI helps assess creditworthiness for loan applications, predict potential risks associated with investments, and ensure regulatory compliance.
* Personalized Banking: AI analyzes customer data to recommend personalized financial products, investment strategies, and budgeting tools.

4. What are the examples of artificial intelligence in banking?

Ans: Examples of AI in Banking:

* Smart Chatbots: These AI-powered virtual assistants answer your questions, complete basic transactions (like transfers), and resolve simple issues, all through your bank's mobile app.
* Loan Approval Assistant: AI analyzes your financial data to pre-qualify you for loans and suggest suitable options based on your needs.
* Automated Investment Management: Robo-advisors use AI algorithms to build and manage investment portfolios tailored to your risk tolerance and financial goals.
* Fraud Detection Systems: AI monitors transactions and flags suspicious activities based on your spending habits and location, helping prevent fraudulent card use.
* Personalized Banking Recommendations: AI analyzes your financial activities to suggest relevant financial products or services that can benefit you.

5. How do insurance companies use AI to mitigate risk?

Ans: Insurance companies leverage AI to:

* Automated Underwriting: AI can analyze data like medical history and driving records to assess risk and expedite the underwriting process.
* Fraud Detection: Similar to banking, AI can identify fraudulent insurance claims by analyzing patterns and inconsistencies.
* Personalized Risk Assessment: AI can personalize insurance premiums based on individual risk profiles, leading to fairer pricing for customers.
* Chatbots for Customer Service: AI-powered chatbots can answer basic insurance questions and streamline customer interactions.