

## Part 1: Short Answer Questions

### 1. Problem Definition

**Hypothetical AI Problem:** Predicting student dropout rates in universities.

**Objectives:** 1. Identify students at high risk of dropping out early. 2. Recommend targeted interventions to reduce dropout. 3. Improve overall student retention rates.

**Stakeholders:** - University administrators - Academic advisors

**Key Performance Indicator (KPI):** Dropout prediction accuracy (%) or reduction in actual dropout rate over one academic year.

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### 2. Data Collection & Preprocessing

**Data Sources:** 1. Student academic records (grades, attendance). 2. Student demographic and engagement data (age, major, participation in clubs).

**Potential Bias:** Socioeconomic bias: Students from disadvantaged backgrounds may have less representation or more missing data, skewing predictions.

**Preprocessing Steps:** 1. Handle missing data using imputation or removal. 2. Normalize numeric features (e.g., GPA) to a common scale. 3. Encode categorical variables (e.g., major, gender) using one-hot encoding.

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### 3. Model Development

**Chosen Model:** Random Forest – robust for tabular data, handles missing values, interpretable feature importance.

**Data Split:** - Training set: 70% - Validation set: 15% - Test set: 15%

**Hyperparameters to Tune:** 1. Number of trees – affects model accuracy and overfitting. 2. Maximum depth of trees – controls complexity and generalization.

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### 4. Evaluation & Deployment

**Evaluation Metrics:** - Accuracy: Measures overall correctness of predictions. - F1-Score: Balances precision and recall, useful for imbalanced dropout data.

**Concept Drift:** Change in student behavior patterns over time can make the model less accurate.

**Monitoring:** Regularly track performance metrics and retrain the model with new data.

**Technical Challenge:** Scalability: Ensuring the system can handle increasing numbers of students and data without slowing down predictions.

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## Part 2: Case Study Application

### Problem Scope

**Problem:** Predict the risk of patient readmission within 30 days of discharge.

**Objectives:** 1. Reduce avoidable readmissions. 2. Optimize hospital resource allocation. 3. Provide early interventions for high-risk patients.

**Stakeholders:** - Hospital administrators - Healthcare providers (doctors, nurses)

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### Data Strategy

**Data Sources:** 1. Electronic Health Records (EHRs) – medical history, lab results, medications. 2. Demographics – age, gender, socioeconomic factors.

**Ethical Concerns:** 1. Patient privacy and data security. 2. Potential bias against vulnerable populations (e.g., elderly or low-income patients).

**Preprocessing Pipeline:** 1. Handle missing values (e.g., median imputation for lab results). 2. Feature engineering: - Create a “comorbidity score” from medical history. - Encode categorical features like diagnosis codes. 3. Normalize numeric features (age, lab values). 4. Split data into training/validation/test sets.

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### Model Development

**Chosen Model:** Gradient Boosting Classifier – handles imbalanced data well, interpretable, strong predictive power.

**Confusion Matrix (Hypothetical Data):**

	Predicted Readmit	Predicted No Readmit	
Actual Readmit	80	20	
Actual No Readmit	15	185	

**Metrics:** - Precision =  $80 / (80 + 15) \approx 0.842$  - Recall =  $80 / (80 + 20) = 0.8$

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## Deployment

**Integration Steps:** 1. Develop API endpoint for model predictions. 2. Integrate into hospital EHR system for real-time alerts. 3. Train medical staff on interpreting AI predictions. 4. Set up monitoring dashboard for model performance.

**Compliance:** Encrypt all patient data, anonymize where possible, and follow HIPAA guidelines for storage and access.

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## Optimization

**Overfitting Solution:** Apply cross-validation and regularization (e.g., limit tree depth, use early stopping in gradient boosting).

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## References

1. Goodfellow, I., Bengio, Y., & Courville, A. (2016). Deep Learning. MIT Press.
2. Chollet, F. (2017). Deep Learning with Python. Manning.
3. HIPAA guidelines: <https://www.hhs.gov/hipaa/index.html>