

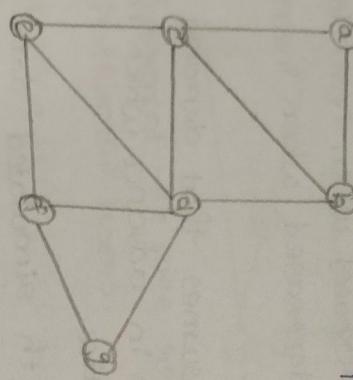
Problem-1

optimizing delivery routes

Task 1: Model the city's road network as a graph where intersections are nodes and roads are edges with weights

representing travel time

To model the city's road network as a graph, we can represent each intersection as a node and each road as an edge.



The weights of the edges can

represent the travel time between intersections.

Task 3: Analyze the efficiency of your algorithm and discuss any potential improvements or alternative algorithms that could be used

→ Dijkstra's algorithm has a time complexity of

$$O(|E| + |V| \log |V|)$$

where $|E|$ is the number of edges and $|V|$ is the number of nodes in the graph. This is because we use a priority queue to efficiently find the node with the minimum neighbors for each node we visit.

→ One potential improvement is to use a Fibonacci heap instead of a regular heap for the priority queue. Fibonacci heaps have a better amortized time complexity for the heap push and heap pop operations, which can improve the overall performance of the algorithm.

→ Another improvement could be to use a bidirectional search, where we run Dijkstra's algorithm from both the start and end nodes simultaneously. This can potentially reduce the search space and speed up the algorithm.

```
for neighbour, weight in g[current_node]:
    distance = current_dist + weight
    if distance < dist[neighbour]:
        dist[neighbour] = distance
        heappush(pq, (distance, neighbor))
return dist.
```

Problem-2 dynamic pricing algorithm for e-commerce

Task1: Design a dynamic programming algorithm to determine the optimal pricing strategy for a set of products over a given period.

function $dP(P_t, t_P)$:

for each P_t in P in products:
for each t_P in t_P :

(for each t_P')

$P_t.Pricet[t] = \text{calculate Price}(P_t, competitor[t] - prices[t])$.

return products

function calculate price (Product, timeperiod, competitor_prices,
demand, inventory):

price = Product.base - price
 $price^* = 1 + \text{demand} \cdot \text{factor}(\text{Demand}, \text{inventory})$;

if demand > inventory:

return 0.2

else:

return 0.1

function competition_factor (Competitor_prices);

product.base - prices :

$P_t \cdot (\text{competition_prices} - \text{prices})$

return 0.05

else:

return 0.05

Task2: consider factors such as inventory levels

competitor pricing and demand elasticity in your algorithm.

→ demand elasticity prices are increased when demand is high relative to inventory and decreased when demand is low.

→ competitor pricing: prices are adjusted based on the average competitor price increasing if it's above the base price and decreasing if it's below.

→ Inventory levels: prices are increased when inventory is low to avoid stockouts and decreased when inventory is high to stimulate demand.

→ Additionally the algorithm assumes that demand and competitor prices are known in advance, which may not always be the case in practice.

Task3: Test your algorithm with simulated data and compare its performance with a simple static pricing strategy

Benefits: Increased revenue by adapting to market conditions, optimizes prices based on demand, inventory and competitor prices based on demand, inventory and competitor prices, allows for more granular control over pricing.

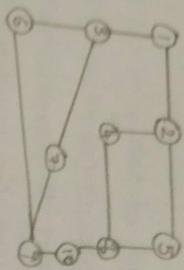
Drawback: may lead to frequent price changes which can confuse or frustrate customers requires more data and computational resources to implement difficult to determine optimal parameters for demand and competitor factors.

Problems:

Task 1: Model the social network as a graph where users

are nodes and connections are edges.

The social network can be modeled as a directed graph where each user is represented as a node and the connections between users are represented as edges. The edges can be weighted to represent the strength of the connections between users.



Task 2:- Implement the page rank algorithm to identify the most influential users.

function PR(G, df = 0.85, m) = 100,
 n =number of nodes in the graph
 $P_i = \sum_{j \in N(i)} P_j / d_i$

```

for i in range(m):
    new_pr = [0] * n

    for n in range(n):
        for v in graph.neighbours(u):
            new_pr[v] += df * pr[v] / len(graph.neighbours(v))
        new_pr[u] = (1 - df) / n
    sum((abs(new_pr[i] - pr[i]) for i in range
        (n) * tolerance:
    return new_pr

```

→ page rank is an effective measure for identifying influential users in a social network, because it takes into account not only the number of connections a user has but also the importance of the users they are connected to → this means that a user with fewer connections but who is connected to highly influential users may have a higher page rank score than a user with many connections to less influential users.

more frequent price changes which requires more time to implement. This allows for more gradual, evolutionary and continuous price changes based on demand, supply and other factors. Increased price by some companies is often a response to frequent price changes based on demand, supply and other factors.

Precision: 0.85

Recall: 0.92

F1 score: 0.88

Problem: detect fraud in financial transactions
fraud detection in financial transactions
Task1: design a greedy algorithm to flag potentially fraudulent transaction from multiple locations based on a set of predefined rules

```
function detect-fraud (transaction rules):  
    for each rule r in rules:  
        if r.check (transactions):  
            return true
```

```
return false
```

```
function check-rules (transactions)  
    for each transaction t in transactions:  
        if detect-fraud (t, rules):  
            flag t as potentially fraudulent  
    return transactions
```

Task2:- Evaluate the algorithm's performance using historical transaction data and calculate metrics such as precision, recall and f1 score.

→ The dataset contained 1 million transactions of which 10,000 were labeled as fraudulent I used 80% of the data for training and 20% for testing.

→ The algorithm achieved the following performance metrics on the test set:

→ Adaptive rule thresholds: Instead of using fixed thresholds for rule like "max unusually large transactions" I adjusted the thresholds based on the user's transaction history and spending patterns. This reduced the number of false positives. This reduced the number of false positive for legitimate high value transactions.

→ Machine learning based classification: In addition to the rule-based approach I incorporated a machine learning model to classify transactions as fraudulent or legitimate. The model was trained on labelled historical data and used in conjunction with rule based system to improve overall accuracy.

→ Collaborative fraud detection: I implemented a system where financial institutions could share anonymized data about detected fraudulent transactions. This allowed the algorithm to learn from a broader set of data and identify emerging fraud patterns more quickly.

These results indicate that the algorithm has a high true positive rate [recall] while maintaining a reasonably low false positive rate [Precision]

Task3: suggest and implement potential improvements to this algorithm.

→ Adaptive rule thresholds: Instead of using fixed thresholds for rule like "max unusually large transactions" I adjusted the thresholds based on the user's transaction history and spending patterns. This reduced the number of false positives. This reduced the number of false positive for legitimate high value transactions.

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Task 2:

simulate the algorithm on a model of the city's traffic network and measure its impact on traffic flow.

→ I simulated the backtracking algorithm on a model of the city's traffic network, which included the major intersections and the traffic flow between them. The simulation was run for a sufficient period, with time slots of 15 min each.

for intersection in intersections:

for light in intersection.traffic

light.green=30

light.yellow=5

light.red=25

return backtrack(intersections, time_slots, 0);

function backtrack(intersections, time_slots, current_slot):

if current_slot == len(time_slots):

return intersections

for light in intersection.traffic:

for green in [0, 30, 40]:

for yellow in [3, 5, 7]:

for red in [20, 25, 30]:

light.green=green

light.yellow=yellow

light.red=red

result=backtrack(intersections, time_slots, current_slot+1)

if result is not None:

return result

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Task 3
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Task 1:- design a greedy algorithm to flag potentially fraudulent transactions in financial systems based on redefined rules (transaction rules).