Model Development Phase Template

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| Date | 05 July 2024 |
| Team ID | 739985 |
| Project Title | Anticipating Business Bankruptcy |
| Maximum Marks | 5 Marks |

**Feature Selection Report Template**

In the forthcoming update, each feature will be accompanied by a brief description. Users will indicate whether it's selected or not, providing reasoning for their decision. This process will streamline decision-making and enhance transparency in feature selection.

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| **Feature** | **Description** | **Selected (Yes/No)** | **Reasoning** |
| Attr2 | total liabilities / total assets | Yes | It is a financial metric that indicates the proportion of a company's assets that are financed by its liabilities it is also called as debt ratio |
| Attr51 | short-term liabilities / total assets | Yes | This ratio is useful for understanding the short-term financial obligations relative to the company's total asset base. |
| Attr52 | Number of dependents | Yes | It describes about how many factors are dependent on business |

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| Attr34 | operating expenses / total liabilities | Yes | The ratio of operating expenses to total liabilities is a financial metric that helps to assess a company's ability to manage its expenses in relation to its total liabilities. |
| Attr55 | working capital | Yes | Working capital is a measure of a company's short-term financial health and operational efficiency. |
| Attr29 | logarithm of total assets | Yes | The logarithm can help in transforming skewed data into a more normal distribution, which is useful for statistical analysis. |
| Attr6 | Retained earnings / total assets | Yes | This ratio can provide insights into a company's financial stability and its ability to reinvest earnings into the business |
| Attr57 | (current assets - inventory - short-term liabilities) / (sales - gross profit - depreciation) | Yes | It provides information about custom financial metric. |
| Attr3 | working capital / total assets | Yes | the ratio of working capital to total assets is a financial metric that provides insights into how much of a company's total assets are funded by its working capital. |