**Data Science in Finance**

1. Pricing Financial Products:

Build a model to price financial products like mortgages, loans, credit card transactions etc. Pricing here refers to charging the right interest rate to account for the risk involved, earn profit from the contract and yet be competitive in the market.

1. Building a credit scorecard model:

Credit scorecards are used to assess credit worthiness of customers. Acquire historical data on customers that have defaulted and different characteristics of customers that might be correlated with customer’s chance of defaulting. Use the model to classify good and bad customers and use model to score new customers in the future.

1. Fraud detection model:

Use historical data of bank/ATM transactions to build a model that predicts chances of fraud happening in a transaction. Sophisticated models could be used for large volumes of data. The sooner a bank detects fraud, faster it can restrict account activity to minimize loss.