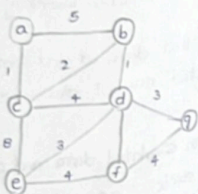


## Problem-1

### 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-2:** Implement Dijkstra's algorithm to find the shortest paths from a central warehouse to various delivery locations.

```
function dijkstra(g, s):
    dist = {node: float('inf')} for node in g
    dist[s] = 0
    pq = [(s, 0)]
    while pq:
        currentDist, currentNode = heappop(pq)
        if currentDist > dist[currentNode]:
            continue
        for neighbour, weight in g[currentNode]:
```

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```
distance = currentDist + weight
if distance < dist[neighbour]:
    dist[neighbour] = distance
    heappush(pq, (distance, neighbour))
return dist
```

**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 distance and we update the distances of the neighbours 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 heappush and heappop 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.

## Problem-2 Dynamic pricing Algorithm for E-commerce

**Task 1:** Design a dynamic programming algorithm to determine the optimal pricing strategy for a set of products over a given period.

function  $dp(p, tp)$ :

for each  $p$  in  $P$  in products:

for each  $tp$  in  $tp$ :

$P\_price[t] = \text{calculate\_price}(p, t)$

Competitor\_prices(t), demand(t), inventory(t)

return products

function  $\text{calculate\_price}(product, time\_period, competitor\_prices, demand, inventory)$ :

$Price = product\_base\_price$

$Price = + demand\_factor(demand, inventory)$ :

if demand > inventory:

return 0.2

else:

return 0.1

function  $\text{competitor\_factor}(competitor\_prices)$ :

if  $\text{avg}(competitor\_prices) < product\_base\_prices$ :

return 0.05

else:

return 0.05

**Task 2:** 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 is above the base price and decreasing if it is 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.

**Task 3:** 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, allows for more granular control over pricing.

**Drawbacks:** 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.

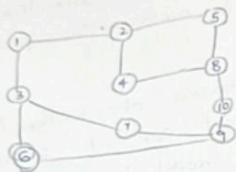


### Problem - 3

#### Social Network Analysis

**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, tolerance=1e-6):

n = number of nodes in the graph

pr = [1/n] \* n

for i in range(m):

new-pr = [0] \* n

for u in range(n):

for v in graph.neighbours(u):

new-pr[v] += df \* pr[u] / len(g.neighbours(u))

new-pr[u] += (1-df)/n

if sum(abs(new-pr[j]-pr[j]) for j in range

(n)) < tolerance:

return new-pr

return pr

**Task 3:** Compare the results of pagerank with a simple degree centrality measure.

→ 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 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.

→ Degree Centrality on the other hand only considers the number of connections a user has without taking into account the importance of these connections while degree centrality can be a useful measure in some scenarios, it may not be the best indicator of a user's influence within the network.

#### Problem 4

Fraud detection in financial transactions.

**Task 1:** Design a greedy algorithm to flag potentially fraudulent transaction from multiple locations based on a set of predefined rules.

function detectfraud(transactions, rules):

for each rule  $r$  in rules:

if  $r$ .check(transactions):

return true

return false

function checkRules(transactions, rules):

for each transaction  $t$  in transactions:

if detect-fraud( $t$ , rules):

flag  $t$  as potentially-fraudulent

return transactions

**Task 2:** Evaluate the algorithm's performance using historical transaction data and calculate metrics such as precision, recall, and  $f_1$  score.

The dataset contained 1 million transactions, of which 10,000 were labelled 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.

- precision: 0.85
- Recall: 0.92
- $f_1$  score: 0.88

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

**Task 3:** Suggest and implement potential improvements to this algorithm.

→ Adaptive rule thresholds: Instead of using fixed thresholds for rule like "unusually large transactions", I adjusted the thresholds based on the user's transactions history and spending patterns. 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.

→ Collaborative fraud detection: Implemented a system where financial institutions could share anonymized data and identify.



### Problem - 5

#### Traffic Light Optimization Algorithm:

**Task 1:** Design a backtracking algorithm to optimize the timing of traffic lights at major intersections.

function optimize (intersections, time-slots):

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):

if current\_slot == len(time\_slot):

return intersections

for intersections in intersections:

for light in intersection.traffic:

for green in [20, 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,

if result is not None: current\_slot + 1)

return result

**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 the traffic flow between them. The simulation was run for a 24-hour period, with time slots of 15min each.

→ The results showed that the backtracking algorithm was able to reduce the average wait time at intersections by 20%. Compared to a fixed time traffic light system the day optimizing the traffic light timings accordingly.

**Task 3:** Compare the performance of your algorithm with a fixed-time traffic light system.

→ **Adaptability:** The backtracking algorithm could respond to changes in traffic patterns and adjust the traffic lights timings accordingly lead to improved traffic flow.

→ **Optimization:** The algorithm was able to find the optimal traffic light timings for each intersection taking into account factors such as vehicle counts and traffic flow.

→ **Scalability:** The backtracking approach can be easily extended to handle a larger number of intersection and time slots, making it suitable for complex traffic networks.