# Artificial Intelligence, Agents, and Environments

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# 1 Artificial Intelligence, Agents, and Environments

# 1.1 What Is Artificial Intelligence (AI)?

| Perspective         | Guiding Question                 | Typical Research / Engineering Goal        |
|---------------------|----------------------------------|--|
| Thinking Humanly    | How do people think and learn?   | Cognitive modelling; reproduce human rea-  |
|                     |                                  | soning steps.                              |
| Acting Humanly      | Can a machine pass the Turing    | Natural-language dialogue, perception, and |
|                     | Test?                            | adaptive behaviour.                        |
| Thinking Rationally | What ought intelligent reasoning | Derive correct conclusions through formal  |
|                     | look like?                       | logic, probability, optimisation.          |
| Acting Rationally   | How can we build agents that do  | Maximise expected performance given goals  |
|                     | the right thing?                 | and knowledge.                             |

Table 1: Four classical viewpoints on Artificial Intelligence.

#### Working Definition (Rational View)

Artificial Intelligence (See Fig 1) is the study and design of computational agents that perceive their environment and take actions that maximise their expected utility or goal achievement over time.

# 2 Agents: The Core Abstraction

## 2.1 Formal Definition

An agent is an entity that senses and acts. Formally, it is a function

$$\pi: P^* \longrightarrow A,$$

mapping a finite history of percepts  $P^*$  (observations) to an action A. In words:  $Percept \rightarrow Decide \rightarrow Act \rightarrow Repeat$ 

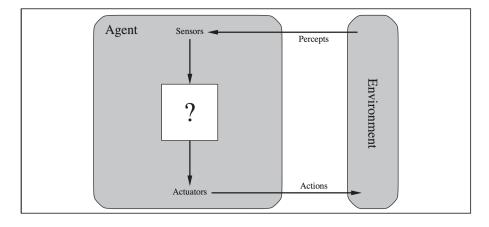


Figure 1: Artificial Intelligence System

### 2.2 The PEAS Framework

Before designing an agent, specify its Performance measure, Environment, Actuators, and Sensors.

| Component   | Example: Autonomous Taxi  |  |
|-------------|---|--|
| Performance | Average trip time, safety, passenger comfort, fuel cost, legality |  |
| Environment | City roads, traffic, weather, pedestrians                         |  |
| Actuators   | Steering, accelerator, brake, horn, dashboard displays            |  |
| Sensors     | Cameras, GPS, LIDAR, speedometer, microphone                      |  |

Table 2: PEAS specification for an autonomous-taxi agent.

## 2.3 Types of Agents

- 1. **Simple Reflex Agents** Rule based on the current percept only. e.g. if traffic\_light = red then stop.
- 2. Model-Based Reflex Agents Maintain an internal state  $s_t$  encoding aspects of the world not observable at t.
- 3. Goal-Based Agents Choose actions that achieve a goal state G.
- 4. **Utility-Based Agents** Maximise a utility function U(s), supporting trade-offs and reasoning under uncertainty.
- 5. **Learning Agents** Improve performance over time through:
  - Learning Element
  - Performance Element
  - Critic
  - Problem Generator

## **Details**

- 1. Simple Reflex Agents(See Fig. 2) Rule–based decision making that depends only on the current percept:
  - Mechanism: A fixed set of condition—action pairs ("if—then" rules).
  - Example:

if 
$$traffic_light = red \implies stop$$

- Advantages:
  - Very efficient for fully observable, static environments.
  - Easy to implement and verify.
- Limitations:
  - Cannot handle environments that are partially observable or dynamic.
  - No memory of past percepts cannot learn or plan.
- 2. Model-Based Reflex Agents(See Fig. 3) Enhance simple reflex agents by maintaining an internal model of the world:
  - Internal State  $s_t$ : Updated using the last state, the last action, and the current percept:

$$s_t = \text{update}(s_{t-1}, a_{t-1}, o_t).$$

- State Representation: Encodes unobserved aspects of the environment (e.g., locations of hidden obstacles).
- Decision Rules: Condition—action rules that refer to the internal state instead of raw percepts.

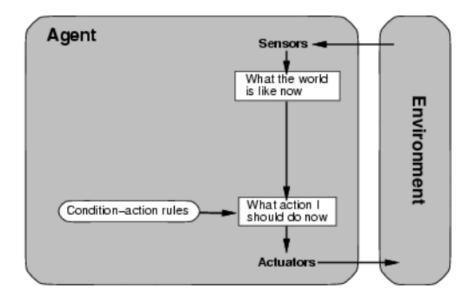


Figure 2: Simple Reflex Agents

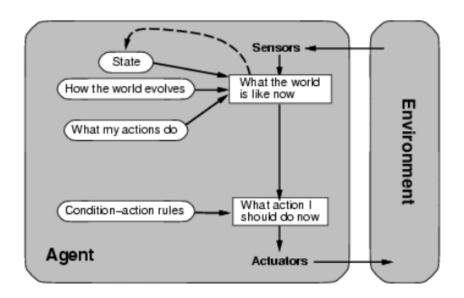


Figure 3: Model-Based Reflex Agents

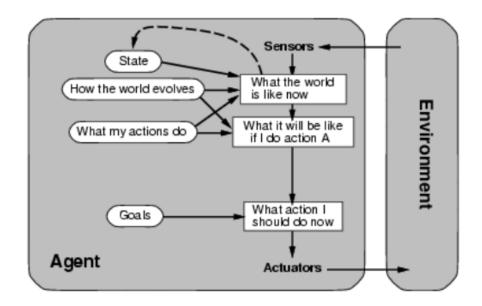


Figure 4: Goal Based Agent

- Example: Vacuum-cleaner agent that remembers which squares are already clean.
- Benefits:
  - Handles partially observable environments.
  - Can avoid repeating ineffective actions.
- 3. Goal-Based Agents (See Fig. 4) Select actions to achieve a specified goal state G:
  - Goal Formulation: A Boolean predicate or set of states that the agent strives to reach.
  - Planning: Uses search or optimization to find a sequence of actions  $\langle a_0, \ldots, a_n \rangle$  leading to G.
  - Example:

 $G: \{\text{all rooms clean and no dirt remains}\}$ 

The agent plans a route that visits each dirty square exactly once.

- Advantages:
  - Flexible to changing objectives.
  - Can compare alternative plans based on goal satisfaction.
- 4. **Utility-Based Agents (See Fig. 5)** Go beyond Boolean goals by maximising a utility function U(s):
  - *Utility Function:* Assigns a real-valued score to each state, reflecting agent preferences and trade-offs.
  - $\bullet$  Expected Utility: Chooses actions a that maximise

$$\mathbb{E}\big[\,U(s')\big] = \sum_{s'} P(s'\mid s,a)\,U(s').$$

• Example: Autonomous taxi balances speed, safety, and passenger comfort:

$$U(s) = w_1 \times (\text{travel\_time}) + w_2 \times (\text{safety\_score}) + w_3 \times (\text{comfort})$$

- Strengths:
  - Handles uncertainty and trade-offs systematically.
  - Avoids the brittleness of hard-coded goals.
- 5. Learning Agents (See Fig. 6 Improve their performance based on experience and feedback:

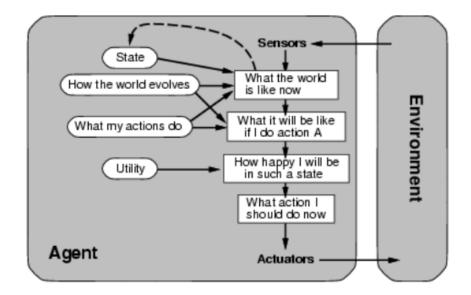


Figure 5: Utility Based Agent

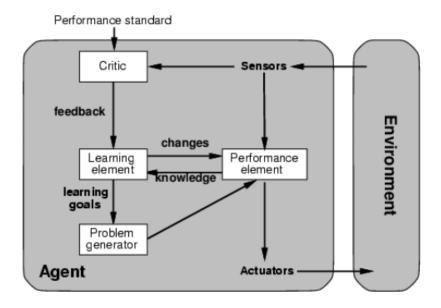


Figure 6: Learning Agent

- Performance Element: Chooses actions given the current knowledge (e.g., a policy network or rule set).
- Learning Element: Updates the performance element using data gathered from interaction.
- Critic: Evaluates agent behaviour by comparing actual performance to desired performance (e.g., via a reward signal).
- Problem Generator: Suggests exploratory actions to gather informative experiences (e.g., random moves, curiosity-driven exploration).
- Example Workflow:
  - (a) Agent takes action  $a_t$  in state  $s_t$ .
  - (b) Environment returns percept  $o_{t+1}$  and reward  $r_{t+1}$ .
  - (c) Critic computes temporal-difference error  $\delta = r_{t+1} + \gamma V(s_{t+1}) V(s_t)$ .
  - (d) Learning element updates value estimates or policy parameters.
  - (e) Problem generator occasionally overrides greedy actions to explore.
- Advantages:
  - Adaptation to non-stationary environments.
  - Capability to improve beyond initial programming.

### 3 Environments: The External World

## 3.1 Environment Properties

| Dimension     | Opposing Values                           | Impact on Design                                |
|---------------|---|---|
| Observability | Fully vs. Partially Observable            | Need for belief state / hidden-state inference. |
| Determinism   | Deterministic vs. Stochastic              | Must reason with probabilities, expectimax      |
|               |   | search.   |
| Episodicness  | Episodic vs. Sequential                   | Can act in isolation or must plan long-term.    |
| Dynamics      | Static vs. Dynamic                        | Real-time processing, continual replanning.     |
| Discreteness  | Discrete vs. Continuous state/action/time | Choice of representation and control theory.    |
| Agents        | Single-agent vs. Multi-agent              | Game-theoretic reasoning, cooperation/competi-  |
|               |   | tion.   |
| Knowledge     | Known vs. Unknown                         | Learning and exploration vs. model-based plan-  |
|               |   | ning.   |

Table 3: Key environment dimensions and their influence on agent design.

#### 3.2 Environment Model

Let S denote the state space and A the action set. The probabilistic transition model is

$$P(s_{t+1} \mid s_t, a_t) = T(s_t, a_t, s_{t+1}),$$

the observation model is

$$P(o_t \mid s_t) = O(s_t, o_t),$$

and the reward (or utility) signal is

$$R(s_t, a_t, s_{t+1}).$$

The tuple  $\langle S, A, T, O, R \rangle$  defines a partially observable Markov decision process (POMDP); solving it yields the optimal policy  $\pi^*$ .

# 4 Interaction Loop (Sense-Think-Act)

loop:

```
o_t <- sensors()
s_t <- update_state(s_{t-1}, a_{t-1}, o_t)
a_t <- (s_t)  # planning / learning / reasoning
actuators(a_t)</pre>
```

## **Key Algorithms**

| Setting                                  | Canonical Algorithms                                       |
|--|--|
| Search (fully observable, deterministic) | Breadth-First Search, A*, Uniform-Cost Search, Iterative-  |
|  | Deepening A*, bidirectional search.                        |
| Planning with uncertainty                | Markov-decision-process value iteration, policy iteration. |
| Partially observable domains             | Belief-state filtering (Bayes, Kalman), POMDP solvers.     |
| Learning in unknown environment          | Reinforcement learning (Q-learning, SARSA, Deep RL).       |

Table 4: Representative algorithms for different environment settings.

# 5 Designing Intelligent Agents

- 1. Specify PEAS Clearly articulate the performance measure, environment, actuators, and sensors.
- 2. Analyse Environment Identify relevant properties from Section 3.
- 3. Select Architecture Table-driven, rule-based, planning, learning, or hybrid.
- 4. Choose Algorithms and Representations Logic, search trees, probabilistic graphical models, neural networks, etc.
- 5. Implement & Train Prototype in simulation, then deploy in the real environment.
- 6. Evaluate Measure performance under diverse scenarios against the specified metrics.
- 7. Iterate Refine utilities, representations, and learning strategies based on empirical results.

# 6 Mini Case Study: Vacuum-Cleaner Agent

| Property    | Value   |
|-------------|---|
| Performance | +1 for each clean square, -1 per time-step    |
| Environment | Two-square world; dirt appears stochastically |
| Actuators   | Left, Right, Suck                             |
| Sensors     | Current location and dirt sensor              |

Table 5: PEAS specification for the vacuum-cleaner agent.

- Simple Reflex: If dirty, Suck; else move Right if in left square, otherwise move Left.
- Model-Based: Maintain memory of which squares have been cleaned to avoid redundant moves.
- **Utility-Based**: Plan a sequence that minimises expected cost given the probability of dirt reappearing.

## 7 Mathematical Foundations

#### 7.1 Utility Theory

For rational preferences (completeness, transitivity, continuity, independence) there exists a utility function U such that

$$\mathbb{E}[U] = \sum_{s} P(s) U(s).$$

Rational agents act to maximise  $\mathbb{E}[U]$ .

## 7.2 Decision-Theoretic Control

$$\pi^* = \arg \max_{\pi} \mathbb{E} \Big[ \sum_{t=0}^{\infty} \gamma^t R(s_t, \pi(s_t)) \Big],$$

where the discount factor  $\gamma \in (0,1]$  accommodates infinite-horizon problems.

# 8 Current Trends & Challenges

| Trend                           | Relevance to Agent Design                                     |
|---------------------------------|---|
| Deep Reinforcement Learning     | Scales utility-maximising agents to high-dimensional per-     |
|                                 | cepts (e.g. vision, speech).                                  |
| Large Language Models as Agents | Enable zero-shot planning and tool use via chain-of-thought   |
|                                 | prompting; still brittle and difficult to align.              |
| Multi-Agent Systems             | Swarm robotics, negotiation, distributed optimisation.        |
| Safety & Alignment              | Mitigate negative side-effects, specification gaming, and re- |
|                                 | ward hacking.   |
| Embodied AI & Sim-to-Real       | Transfer learned policies from simulation to physical robots. |

Table 6: Emerging research directions and their impact on intelligent-agent design.

# 9 Summary

- AI aims to build systems that act rationally within their environments.
- **Agents** are the unifying abstraction: they perceive, decide, and act.
- Environment analysis (observability, determinism, etc.) dictates the algorithmic toolbox.
- The **PEAS** framework is the design blueprint; utility theory supplies the mathematical backbone.
- Advances in deep learning, large-scale simulation, and reinforcement learning are expanding both the capabilities and the responsibilities of AI-agent builders.