

Task -2

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**Task 2:**

**Limitations of the solution:**

Our formula ignores the few other miscellaneous contributions that may be made after the gross, demonstrating that two persons with the same net doesn't always imply that they will also have the same gross.

The technological strategy we chose is a one-step, linear process, but it is not dynamic and has complicated scalability when there are significant changes in the economy or in policy such as when the government tries to add or modify tax slabs to modernise the tax system which emphasises the significance of frequent updates and adaptability.

**How can we identify self-employed workers and location based on transactional data?**

Some essential qualities are crucial for recognising independent contractors from transactional data. First, **transaction type** entails identifying revenue streams common to independent contractors, like project payments and consultation fees. Through close examination of transaction descriptions or categories, it is possible to identify financial activities that are frequently connected to independent or freelance work.

**Transaction frequency**, or the examination of irregular or non-periodic transactions, is another important factor. Payment schedules that are unpredictable are a common manifestation of the irregular nature of self-employed revenue. Finding these patterns can help identify people whose sources of income are typical of self-employment.

**Payment Patterns** make a further contribution by looking at erratic intervals or amounts of payments. Transaction value fluctuations or erratic timings can be used as markers of self-employment, as income is contingent on project completion or client engagements.

Furthermore, having **multiple sources of income** is a reliable indicator of freelancing or self-employment. Analysing situations in which a person makes money from a variety of sources reveals a profile characteristic of independent contractors managing several projects or customers.

Essentially, a comprehensive strategy for identifying self-employed individuals within transactional data combines various methods such as transaction type analysis, frequency assessment, payment pattern recognition, and scrutiny of multiple income streams. This approach is holistic. This comprehensive analysis improves identification accuracy by providing a nuanced understanding of financial behaviours related to independent work.