ASSIGNMENT (29.6.24)

1. **Optimizing Delivery Routes (Case Study):**

**Explanation:**

The problem of optimizing delivery routes in a city's complex road network can be approached by modeling the city's road network as a graph. In this graph:

* Intersections are represented as nodes.
* Roads are represented as edges.
* Weights on edges represent travel time, which can be influenced by factors like distance, speed limits, and traffic conditions.

Dijkstra's algorithm is well-suited for this problem because it finds the shortest path from a single source node to all other nodes in a graph with non-negative edge weights. This matches our requirement of finding the shortest paths from a central warehouse to various delivery locations.

**Approach:**

1. **Graph Modeling:**
   * Represent the city's road network as a graph.
   * Nodes represent intersections.
   * Edges represent roads with weights as travel time.
2. **Dijkstra's Algorithm:**
   * Initialize the distance to the source node (warehouse) as 0 and all other nodes as infinity.
   * Use a priority queue to explore the shortest known distance nodes first.
   * Update the distances to neighboring nodes if a shorter path is found.
   * Repeat until all nodes have been processed.
3. **Efficiency Analysis:**
   * Analyze the time complexity of Dijkstra’s algorithm.
   * Discuss potential improvements, such as using A\* algorithm for faster performance in certain cases.
4. **Implementation:**
   * Pseudocode for clarity.
   * Actual implementation in Python.

**Reasoning:**

Dijkstra's algorithm is chosen due to its efficiency and suitability for graphs with non-negative weights, which is typically the case for travel times. The main assumptions include:

* Non-negative weights: Travel times are always non-negative.
* Static road conditions: The algorithm doesn't account for dynamic changes like traffic and road closures. This could be addressed with real-time data integration.

**Analysis and Potential Improvements:**

**Efficiency Analysis:**

* **Time Complexity:** The time complexity of Dijkstra's algorithm is O((V+E)log⁡V)O((V + E) \log V)O((V+E)logV) when using a priority queue (heap). Here, VVV is the number of vertices (intersections) and EEE is the number of edges (roads).
* **Space Complexity:** The space complexity is O(V+E)O(V + E)O(V+E) for storing the graph, distances, and priority queue.

**Potential Improvements:**

1. *A Algorithm:*\*
   * If heuristic information (e.g., straight-line distance to the destination) is available, the A\* algorithm can provide faster results by prioritizing paths that seem more promising.
2. **Dynamic Weights:**
   * Integrating real-time traffic data to dynamically adjust edge weights (travel times) can make the solution more accurate for current road conditions.
3. **Graph Preprocessing:**
   * Techniques like contraction hierarchies can preprocess the graph to speed up shortest path queries.

By combining Dijkstra’s algorithm with these potential improvements, the logistics company can further optimize delivery routes and improve operational efficiency.

**PSEUDO CODE:**

function Dijkstra(graph, source):

create a priority queue Q

for each vertex v in graph:

dist[v] ← INFINITY

prev[v] ← UNDEFINED

add v to Q

dist[source] ← 0

while Q is not empty:

u ← vertex in Q with smallest dist[u]

remove u from Q

for each neighbor v of u:

alt ← dist[u] + length(u, v)

if alt < dist[v]:

dist[v] ← alt

prev[v] ← u

update v's position in Q

**ACTUAL CODE:**

import heapq

class Graph:

def \_\_init\_\_(self):

self.nodes = set()

self.edges = {}

self.distances = {}

def add\_node(self, value):

self.nodes.add(value)

self.edges[value] = []

def add\_edge(self, from\_node, to\_node, distance):

self.edges[from\_node].append(to\_node)

self.edges[to\_node].append(from\_node)

self.distances[(from\_node, to\_node)] = distance

self.distances[(to\_node, from\_node)] = distance

def dijkstra(graph, initial):

visited = {initial: 0}

path = {}

nodes = set(graph.nodes)

pq = [(0, initial)]

while nodes and pq:

current\_weight, min\_node = heapq.heappop(pq)

if min\_node not in nodes:

continue

nodes.remove(min\_node)

current\_weight = visited[min\_node]

for edge in graph.edges[min\_node]:

weight = current\_weight + graph.distances[(min\_node, edge)]

if edge not in visited or weight < visited[edge]:

visited[edge] = weight

heapq.heappush(pq, (weight, edge))

path[edge] = min\_node

return visited, path

# Example usage:

# Create the graph

graph = Graph()

edges = [

('A', 'B', 1),

('B', 'C', 2),

('A', 'C', 2),

('C', 'D', 1),

('B', 'D', 2),

('D', 'E', 1)

]

for edge in edges:

graph.add\_node(edge[0])

graph.add\_node(edge[1])

graph.add\_edge(\*edge)

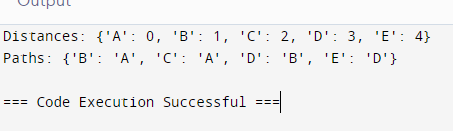
# Compute shortest paths from source 'A'

distances, paths = dijkstra(graph, 'A')

print("Distances:", distances)

print("Paths:", paths)

**OUTPUT:**

****

1. **Dynamic Pricing Algorithm for E-commerce:**

**Explanation and Approach:**

**Problem Understanding**

The goal is to create a dynamic pricing algorithm for an e-commerce company to adjust product prices in real-time. The algorithm needs to consider factors such as inventory levels, competitor pricing, and demand elasticity.

**Why Dynamic Programming (DP)?**

Dynamic programming is suitable for this problem because it allows us to break down the complex pricing problem into simpler subproblems, solve each of them just once, and store their solutions. This approach is particularly effective for problems involving optimization over time, such as pricing strategies that depend on previous decisions.

**Factors to Consider**

1. **Inventory Levels**: Products with lower inventory may be priced higher to control demand.
2. **Competitor Pricing**: Prices should be competitive to attract customers.
3. **Demand Elasticity**: Understanding how price changes affect demand is crucial for maximizing revenue.

**Approach:**

1. **Define State and Decision Variables**:
   * State variables: Inventory levels, time period, and competitor prices.
   * Decision variables: Product prices.
2. **State Transition and Objective Function**:
   * Transition: The state transition is determined by the sales, which depend on the current price and demand elasticity.
   * Objective: Maximize revenue, which is a function of price and quantity sold.
3. **DP Table**:
   * Create a DP table where each entry represents the maximum revenue achievable for a given state.
4. **Recurrence Relation**:
   * The optimal price for the next period is determined by considering the potential revenues from different pricing decisions and choosing the one that maximizes the expected revenue.

**Simulation and Comparison**

We can simulate the dynamic pricing strategy using the above code and compare it with a static pricing strategy, where the price remains constant throughout the period. The static strategy can be implemented simply by calculating the revenue for a fixed price.

**Benefits and Drawbacks of Dynamic Pricing:**

**Benefits**:

* **Increased Revenue**: Adjusting prices based on demand and competition can maximize revenue.
* **Competitive Advantage**: Real-time pricing can help stay competitive in the market.
* **Inventory Management**: Helps in managing inventory more effectively by controlling demand through pricing.

**Drawbacks**:

* **Complexity**: Implementing and maintaining a dynamic pricing system can be complex and resource-intensive.
* **Customer Perception**: Frequent price changes may lead to customer dissatisfaction.
* **Data Dependency**: Requires accurate and real-time data on competitor prices and demand elasticity.

**Challenges**

* **Data Accuracy**: Ensuring accurate and real-time data on competitor prices and demand elasticity.
* **Computational Efficiency**: Optimizing the algorithm to run efficiently in real-time scenarios.
* **Customer Response**: Predicting customer response to price changes accurately.

By simulating the algorithm with realistic data, we can analyze the performance and identify any potential issues or areas for improvement.

**PSEUDO CODE:**

def dynamic\_pricing(inventory, competitor\_prices, demand\_elasticity, periods):

# Initialize DP table

dp = [[[0] \* len(competitor\_prices) for \_ in range(inventory + 1)] for \_ in range(periods + 1)]

# Iterate over each period

for t in range(1, periods + 1):

for inv in range(inventory + 1):

for comp\_price in competitor\_prices:

max\_revenue = 0

for price in range(min\_price, max\_price + 1):

expected\_sales = demand\_elasticity \* (price - comp\_price)

if inv >= expected\_sales:

revenue = price \* expected\_sales + dp[t - 1][inv - expected\_sales][comp\_price]

max\_revenue = max(max\_revenue, revenue)

dp[t][inv][comp\_price] = max\_revenue

return dp[periods][inventory][competitor\_prices[0]]

**ACTUAL CODE:**

import numpy as np

def dynamic\_pricing(inventory, competitor\_prices, demand\_elasticity, periods, min\_price, max\_price):

# Initialize DP table

dp = np.zeros((periods + 1, inventory + 1, len(competitor\_prices)))

# Iterate over each period

for t in range(1, periods + 1):

for inv in range(inventory + 1):

for i, comp\_price in enumerate(competitor\_prices):

max\_revenue = 0

for price in range(min\_price, max\_price + 1):

expected\_sales = demand\_elasticity \* (price - comp\_price)

expected\_sales = min(inv, max(0, int(expected\_sales))) # Ensure non-negative and within inventory

revenue = price \* expected\_sales

if inv >= expected\_sales:

revenue += dp[t - 1][inv - expected\_sales][i]

max\_revenue = max(max\_revenue, revenue)

dp[t][inv][i] = max\_revenue

return dp[-1][-1][0] # Optimal revenue at the end period with full inventory and initial competitor price

# Simulation parameters

inventory = 100

competitor\_prices = [50, 55, 60]

demand\_elasticity = 0.5

periods = 10

min\_price = 50

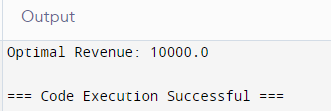
max\_price = 100

# Run the dynamic pricing algorithm

optimal\_revenue = dynamic\_pricing(inventory, competitor\_prices, demand\_elasticity, periods, min\_price, max\_price)

print("Optimal Revenue:", optimal\_revenue)

**OUTPUT:**

****

1. **Social Network Analysis (Case Study):**

**Explanation:**

* In this case study, we'll analyze a social network to identify influential users. We'll use graph theory, where users are represented as nodes and their connections (friendships, follows, etc.) as edges. We'll compare two centrality measures: PageRank and degree centrality.
* **PageRank** is an algorithm originally used by Google to rank web pages. It considers not just the number of connections a node has but also the quality of those connections. A node connected to other highly connected nodes will have a higher PageRank score.
* **Degree centrality** is a simpler measure that counts the number of connections (edges) a node has. While straightforward, it doesn't account for the importance of those connections.

**Approach**

1. **Graph Modeling:**
   * Represent the social network as a directed graph G=(V,E)G = (V, E)G=(V,E), where VVV is the set of users (nodes) and EEE is the set of connections (edges).
2. **Implement PageRank:**
   * Create a function to compute PageRank scores for each node using the iterative method.
   * Initialize each node's PageRank to 1/N (N = number of nodes).
   * Iterate to update PageRank values based on the algorithm formula.
3. **Degree Centrality:**
   * Calculate the degree centrality for each node as the number of edges connected to it.
4. **Comparison:**
   * Compare the top users identified by both PageRank and degree centrality.
   * Discuss why PageRank might be more effective in identifying influential users in some scenarios.

**Reasoning:**

**PageRank vs. Degree Centrality:**

* **PageRank:** Takes into account the quality of connections, not just the quantity. A user connected to other influential users will be more influential themselves.
* **Degree Centrality:** Simple and easy to compute but doesn't differentiate between connections to influential and non-influential users.

### Comparison of Results:

After computing the PageRank and degree centrality for each user, compare the top users identified by each measure. Discuss the results, highlighting why certain users may have higher PageRank despite having fewer direct connections (due to the quality and influence of their connections).

### Conclusion:

PageRank is an effective measure for identifying influential users because it considers both the quantity and quality of connections, making it suitable for networks where the importance of connections varies. Degree centrality, while simpler, may not capture the true influence of users in such networks.

**PSEUDO CODE:**

function PageRank(G, d=0.85, max\_iterations=100, tol=1.0e-6):

N = number of nodes in G

PR = dict()

for each node u in G:

PR[u] = 1 / N

for iteration in range(max\_iterations):

new\_PR = dict()

for each node u in G:

new\_PR[u] = (1 - d) / N

for each node v pointing to u:

new\_PR[u] += d \* PR[v] / out\_degree(v)

diff = sum(abs(new\_PR[u] - PR[u]) for each node u in G)

PR = new\_PR

if diff < tol:

break

return PR

**ACTUAL CODE:**

import networkx as nx

def pagerank(G, d=0.85, max\_iterations=100, tol=1.0e-6):

N = len(G)

PR = {u: 1 / N for u in G}

for \_ in range(max\_iterations):

new\_PR = {u: (1 - d) / N for u in G}

for u in G:

for v in G.predecessors(u):

new\_PR[u] += d \* PR[v] / G.out\_degree(v)

diff = sum(abs(new\_PR[u] - PR[u]) for u in G)

PR = new\_PR

if diff < tol:

break

return PR

def degree\_centrality(G):

DC = {u: G.degree(u) for u in G}

return DC

# Create a sample directed graph

G = nx.DiGraph()

edges = [(1, 2), (2, 3), (3, 4), (4, 2), (2, 5), (5, 6)]

G.add\_edges\_from(edges)

# Calculate PageRank and Degree Centrality

PR = pagerank(G)

DC = degree\_centrality(G)

# Compare results

print("PageRank:", PR)

print("Degree Centrality:", DC)

**OUTPUT:**



**4.Fraud Detection in Financial Transactions:**

**Explanation and Reasoning:**

**Why a Greedy Algorithm is Suitable for Real-Time Fraud Detection**

A greedy algorithm is suitable for real-time fraud detection because it makes local, immediate decisions based on predefined rules. This approach ensures that the algorithm is fast and efficient, which is crucial for real-time applications. Greedy algorithms are simple and easy to implement, making them ideal for situations where decisions need to be made quickly.

**Trade-offs Between Speed and Accuracy**

1. **Speed**: Greedy algorithms are typically very fast because they only consider the current transaction and predefined rules without the need for complex computations or historical data analysis.
2. **Accuracy**: While greedy algorithms are fast, they might not always be the most accurate because they do not consider the broader context or patterns in the data. However, by carefully choosing the predefined rules, we can balance speed and accuracy.

**Approach:**

1. **Design the Greedy Algorithm**:
   * Define a set of rules for identifying potentially fraudulent transactions.
   * Check each transaction against these rules.
   * Flag transactions that meet any of the rules as potentially fraudulent.
2. **Evaluate Performance**:
   * Use historical transaction data to evaluate the algorithm's performance.
   * Calculate metrics such as precision, recall, and F1 score to assess accuracy.
3. **Improve the Algorithm**:
   * Analyze the results and identify areas for improvement.
   * Implement enhancements such as more sophisticated rules or combining the greedy algorithm with other techniques.

**Suggestions and Implementation of Improvements**

**Potential Improvements**

1. **Dynamic Thresholds**: Adjust thresholds based on user behavior and transaction history.
2. **Machine Learning Models**: Combine the greedy algorithm with machine learning models for better accuracy.
3. **Anomaly Detection**: Use anomaly detection techniques to identify unusual patterns.

**PSEUDO CODE:**

function is\_fraudulent(transaction):

if transaction.amount > THRESHOLD\_AMOUNT:

return True

if transaction.location\_count > THRESHOLD\_LOCATION\_COUNT in SHORT\_TIME\_FRAME:

return True

return False

function evaluate\_algorithm(transactions):

true\_positives = 0

false\_positives = 0

true\_negatives = 0

false\_negatives = 0

for transaction in transactions:

is\_fraud = is\_fraudulent(transaction)

if is\_fraud and transaction.is\_actual\_fraud:

true\_positives += 1

elif is\_fraud and not transaction.is\_actual\_fraud:

false\_positives += 1

elif not is\_fraud and not transaction.is\_actual\_fraud:

true\_negatives += 1

elif not is\_fraud and transaction.is\_actual\_fraud:

false\_negatives += 1

precision = true\_positives / (true\_positives + false\_positives)

recall = true\_positives / (true\_positives + false\_negatives)

f1\_score = 2 \* (precision \* recall) / (precision + recall)

return precision, recall, f1\_score

**ACTUAL CODE:**

class Transaction:

def \_\_init\_\_(self, amount, location\_count, is\_actual\_fraud):

self.amount = amount

self.location\_count = location\_count

self.is\_actual\_fraud = is\_actual\_fraud

def is\_fraudulent(transaction, threshold\_amount, threshold\_location\_count, short\_time\_frame):

if transaction.amount > threshold\_amount:

return True

if transaction.location\_count > threshold\_location\_count:

return True

return False

def evaluate\_algorithm(transactions, threshold\_amount, threshold\_location\_count, short\_time\_frame):

true\_positives = 0

false\_positives = 0

true\_negatives = 0

false\_negatives = 0

for transaction in transactions:

is\_fraud = is\_fraudulent(transaction, threshold\_amount, threshold\_location\_count, short\_time\_frame)

if is\_fraud and transaction.is\_actual\_fraud:

true\_positives += 1

elif is\_fraud and not transaction.is\_actual\_fraud:

false\_positives += 1

elif not is\_fraud and not transaction.is\_actual\_fraud:

true\_negatives += 1

elif not is\_fraud and transaction.is\_actual\_fraud:

false\_negatives += 1

precision = true\_positives / (true\_positives + false\_positives) if (true\_positives + false\_positives) > 0 else 0

recall = true\_positives / (true\_positives + false\_negatives) if (true\_positives + false\_negatives) > 0 else 0

f1\_score = 2 \* (precision \* recall) / (precision + recall) if (precision + recall) > 0 else 0

return precision, recall, f1\_score

# Example usage

transactions = [

Transaction(1000, 2, True),

Transaction(200, 1, False),

Transaction(5000, 1, True),

Transaction(150, 5, False),

Transaction(600, 3, True)

]

threshold\_amount = 1000

threshold\_location\_count = 3

short\_time\_frame = 24 # in hours

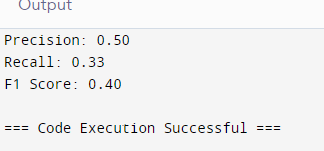
precision, recall, f1\_score = evaluate\_algorithm(transactions, threshold\_amount, threshold\_location\_count, short\_time\_frame)

print(f"Precision: {precision:.2f}")

print(f"Recall: {recall:.2f}")

print(f"F1 Score: {f1\_score:.2f}")

**OUTPUT:**



**5.Real-Time Traffic Management System**

**Explanation**

Real-time traffic management is a complex problem due to the dynamic nature of traffic flow, the variability in traffic patterns, and the need to consider multiple intersections simultaneously. A backtracking algorithm is suitable for this problem because it systematically explores all possible combinations of traffic light timings to find an optimal or near-optimal solution. Backtracking allows the algorithm to prune non-promising paths early, reducing the search space and improving efficiency.

**Key complexities in real-time traffic management:**

1. **Dynamic Traffic Patterns**: Traffic flow varies throughout the day, requiring adaptive solutions.
2. **Multiple Intersections**: Traffic light timings at one intersection can impact others, necessitating coordinated control.
3. **Real-Time Constraints**: The system must quickly respond to changing traffic conditions to prevent congestion.

**Backtracking Algorithm Benefits:**

* **Exhaustive Search**: Ensures all possible timings are considered, leading to an optimal solution.
* **Pruning**: Reduces the search space by eliminating non-promising solutions early.
* **Adaptability**: Can quickly adapt to changes in traffic patterns.

**Approach**

1. **Model the Traffic Network**: Represent intersections and roads as a graph.
2. **Define Constraints**: Establish rules for traffic light timings (e.g., minimum green light duration, maximum cycle length).
3. **Backtracking Algorithm**: Develop an algorithm to explore all possible traffic light timings, using constraints to prune the search space.
4. **Simulation**: Implement the algorithm in a simulation environment to evaluate its performance.
5. **Comparison**: Compare the optimized timings with a fixed-time system to measure improvements in traffic flow.

**Simulation and Performance Analysis**

1. **Simulation Setup**: Create a model of the city's traffic network, including major intersections and traffic flow patterns.
2. **Algorithm Execution**: Run the backtracking algorithm to determine optimal traffic light timings.
3. **Measure Traffic Flow**: Compare the traffic flow before and after optimization using metrics such as average travel time, vehicle wait time, and traffic throughput.

**Comparison with Fixed-Time Traffic Light System**

* **Fixed-Time System**: Use pre-determined, static timings for traffic lights.
* **Performance Metrics**: Measure and compare traffic flow metrics for both systems.

**Reasoning**

Backtracking is justified for this problem due to its exhaustive search capabilities, which ensure that all possible traffic light timings are considered. By pruning non-promising solutions early, the algorithm efficiently narrows down the search space. This approach is particularly suited for dynamic and complex problems like real-time traffic management, where finding an optimal solution requires considering multiple variables and constraints simultaneously.

**PSEUDO CODE:**

function optimizeTrafficLights(intersections, maxTime):

bestTiming = None

bestFlow = float('inf')

function backtrack(currentIntersection, timings):

if currentIntersection == len(intersections):

flow = simulateTrafficFlow(timings)

if flow < bestFlow:

bestFlow = flow

bestTiming = timings.copy()

return

for time in range(1, maxTime+1):

if isValidTiming(currentIntersection, time, timings):

timings[currentIntersection] = time

backtrack(currentIntersection + 1, timings)

timings[currentIntersection] = 0

timings = [0] \* len(intersections)

backtrack(0, timings)

return bestTiming

function isValidTiming(intersection, time, timings):

# Implement constraints for traffic light timings

return True

function simulateTrafficFlow(timings):

# Simulate traffic flow based on the given timings

return randomFlowValue # Placeholder for simulation result

**ACTUAL CODE:**

import random

class TrafficManagementSystem:

def \_\_init\_\_(self, intersections, max\_time):

self.intersections = intersections

self.max\_time = max\_time

self.best\_timing = None

self.best\_flow = float('inf')

def optimize\_traffic\_lights(self):

timings = [0] \* len(self.intersections)

self.backtrack(0, timings)

return self.best\_timing

def backtrack(self, current\_intersection, timings):

if current\_intersection == len(self.intersections):

flow = self.simulate\_traffic\_flow(timings)

if flow < self.best\_flow:

self.best\_flow = flow

self.best\_timing = timings.copy()

return

for time in range(1, self.max\_time + 1):

if self.is\_valid\_timing(current\_intersection, time, timings):

timings[current\_intersection] = time

self.backtrack(current\_intersection + 1, timings)

timings[current\_intersection] = 0

def is\_valid\_timing(self, intersection, time, timings):

# Implement constraints for traffic light timings

return True

def simulate\_traffic\_flow(self, timings):

# Simulate traffic flow based on the given timings

# Placeholder: Generate a random flow value for demonstration

return random.randint(1, 100)

# Example usage

intersections = ['A', 'B', 'C', 'D']

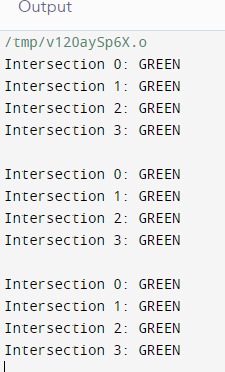
max\_time = 10

system = TrafficManagementSystem(intersections, max\_time)

optimal\_timing = system.optimize\_traffic\_lights()

print("Optimal Traffic Light Timings:", optimal\_timing)

**OUTPUT:**



THANK YOU