

Annexure A: AI Prompt Logbook and Justification

This logbook documents the key Artificial Intelligence (AI) prompts used during the project, the purpose of each prompt, the nature of AI assistance received, and the student's critical evaluation of AI outputs. AI was used strictly as a **decision-support tool**, and final responsibility for all assumptions, calculations, and interpretations rests with the student.

A1. Firm Selection and Project Structuring

Prompt Used

"Help me structure a corporate finance project using AI, covering governance, risk, CAPM, capital structure, and a project-level investment analysis."

Purpose of AI Use

To structure the overall analytical framework in line with WWAI guidelines and ensure coverage of both firm-level and project-level finance concepts.

AI Output Summary

AI provided a structured outline mapping required analytical components to corporate finance theory.

Student Evaluation and Action

The structure was reviewed and refined manually to ensure alignment with institutional requirements. No content was accepted without validation.

Appropriateness of AI Use

AI was used for planning and structuring, which is a low-risk and appropriate application.

A2. Corporate Governance and Board-Level Analysis

Prompt Used

"Summarise the corporate governance structure and board committees of HCL Technologies Limited and explain how they affect firm value."

Purpose of AI Use

To assist in synthesising governance disclosures and linking governance mechanisms to firm value.

AI Output Summary

AI summarised board composition, committee roles, and governance implications.

Student Evaluation and Action

All facts were cross-verified with company disclosures. Interpretations were rewritten to reflect managerial finance perspectives.

Appropriateness of AI Use

AI-supported literature synthesis is appropriate for qualitative analysis.

A3. Risk, Return, and CAPM Analysis

Prompt Used

“Generate Python code to compute returns, estimate beta using CAPM, and summarise risk-return characteristics.”

Purpose of AI Use

To assist with data processing, statistical analysis, and regression modelling.

AI Output Summary

AI generated Python code for return computation, CAPM regression, and summary statistics.

Student Evaluation and Action

The code was reviewed, executed, and validated by the student. Outputs were checked for economic plausibility and consistency with theory.

Appropriateness of AI Use

AI-assisted coding improved efficiency while maintaining full human oversight.

A4. Capital Structure, Cost of Debt, and WACC Estimation

Prompt Used

“Help estimate cost of debt, WACC, and analyse the impact of changing capital structure assumptions.”

Purpose of AI Use

To explore alternative capital structure scenarios and their impact on cost of capital.

AI Output Summary

AI provided formulae and scenario-based insights for WACC estimation.

Student Evaluation and Action

A conservative pre-tax cost of debt of 7.5% was selected by the student, justified based on market conditions. Numerical consistency was ensured across Python, Excel, and the report.

Appropriateness of AI Use

AI was used for scenario analysis support, while assumptions and conclusions remained student-driven.

A5. Project Conceptualisation and Financial Modelling

Prompt Used

“Suggest a future-oriented AI-based project and help build a pro-forma financial model with FCFF.”

Purpose of AI Use

To ideate a realistic AI-driven investment project and assist in structuring financial projections.

AI Output Summary

AI suggested an AI-driven AIOps platform and a basic financial structure.

Student Evaluation and Action

All projections, growth assumptions, and risk assessments were critically evaluated and finalised by the student.

Appropriateness of AI Use

AI supported ideation and modelling structure, while quantitative assumptions were owned by the student.

A6. Project Risk, Asset Beta, and Cost of Equity

Prompt Used

“Estimate asset beta for a project using peer comparison and explain when to use unlevered cost of equity.”

Purpose of AI Use

To support understanding of project risk assessment and unlevered discounting.

AI Output Summary

AI explained asset beta estimation and unlevered cost of equity usage.

Student Evaluation and Action

The student applied these concepts using peer-informed judgment and ensured consistency with capital budgeting theory.

Appropriateness of AI Use

AI was used for conceptual clarification, not decision-making.

A7. Streamlit Dashboard and Visualisation

Prompt Used

“Generate a Streamlit dashboard with interactive visualisations for risk, return, WACC, and project cash flows.”

Purpose of AI Use

To build an interactive dashboard for managerial decision support.

AI Output Summary

AI generated Streamlit code using interactive visualisation libraries.

Student Evaluation and Action

Dashboard outputs were validated against Excel results and reviewed for managerial interpretability.

Appropriateness of AI Use

AI-assisted visualisation enhances analytical clarity and decision support.

A8. Overall Reflection

AI was used throughout the project to enhance efficiency, structure analysis, and support modelling, but never as a substitute for financial reasoning or judgment. All AI-generated outputs

were critically evaluated, verified against theory and data, and refined by the student. The project maintains transparency, accountability, and responsible AI usage in line with WWAI guidelines.