### Q1: Algorithmic Bias

**Algorithmic bias** refers to systematic and repeatable errors in AI systems that lead to unfair outcomes, often favoring one group over another. *Examples:* 

- **Facial recognition systems** showing lower accuracy for people with darker skin tones due to biased training data.
- **Hiring algorithms** that prioritize male candidates over female ones because historical data favored men in similar roles.

## **Q2:** Transparency vs Explainability

- **Transparency** is about understanding how an AI system was built its data sources, design decisions, and processes.
- **Explainability** focuses on interpreting and describing how the AI arrived at a particular decision or prediction.

#### Importance:

Both are crucial for building trust. Transparency helps stakeholders assess risks, while explainability enables users and regulators to understand and challenge AI decisions when necessary — especially in high-stakes contexts like healthcare or criminal justice.

## Q3: GDPR's Impact on AI

GDPR imposes strict data protection rules in the EU that affect AI development by:

- **Limiting data usage**: AI systems must justify how they collect, store, and process personal data.
- **Requiring consent**: Users must explicitly agree to data usage.
- **Right to explanation**: Individuals can demand an explanation for decisions made by automated systems.

This pushes developers toward privacy-preserving AI models and clearer documentation of algorithms.

# $\hfill \square$ 2. Ethical Principles Matching

**Principle** Definition

A) Justice Fair distribution of AI benefits and risks

B) Non-maleficence Ensuring AI does not harm individuals or society

C) Autonomy Respecting users' right to control their data and decisions

**D)** Sustainability Designing AI to be environmentally friendly