Due: Friday, August 10, 2012

Problem 1 (20 Points). You are going on a long trip. You start on the road at mile post 0. Along the way there are n hotels, at mile posts  $a_1 < a_2 < \cdots < a_n$ , where each  $a_i$  is measured from the starting point. The only places you are allowed to stop are at these hotels, but you can choose which of the hotels you stop at. You must stop at the final hotel (at distance  $a_n$ ), which is your destination.

You'd ideally like to travel 200 miles a day, but this may not be possible (depending on the spacing of the hotels). If you travel x miles during a day, the *penalty* for that day is  $(200 - x)^2$ . You want to plan your trip so as to minimize the total penalty — that is, the sum, over all travel days, of the daily penalties. Give an efficient algorithm that determines the optimal sequence of hotels at which to stop.

Problem 2 (20 Points). You are given a string of characters  $(s_1, s_2, \dots, s_n)$ , which you believe to be a corrupted text document in which all punctuation has vanished (so that is lookes something like "itwasthebestoftimes..."). You wish to reconstruct the document using a dictionary, which is available in the form of a boolean function  $dict(\cdot)$ : for any string w,

$$\mathtt{dict}(w) = \begin{cases} \mathtt{true} & \text{if } w \text{ is a valid word} \\ \mathtt{false} & \text{otherwise} \end{cases}$$

Give a dynamic programming algorithm that determines whether the string  $(s_1, s_2, \dots, s_n)$  can be reconstituted as a sequence of valid words. In the event that the string is valid, make your algorithm output the corresponding sequence of words. The running time should be at most  $O(n^2)$ , assuming calls to dict take constant time.

Problem 3 (20 Points). We saw a greedy algorithm for the making change problem: Given coin denominations  $d_1, ..., d_n$ , and a target amount w, find a collections of coins whose value is w, using the fewest number of coins. That is, we wish to find a sequence of integers  $x_1, ..., x_n$ , such that

$$\sum_{i=1}^{n} x_i d_i = w$$

that minimizes

$$\sum_{i=1}^{n} x_i .$$

However, our greedy algorithm only worked for certain sets of denominations. Give an efficient dynamic programming algorithm to solve this problem.

Problem 4 (20 Points). In class, we say how to compute the edit distance where edits consist of insertions, deletions, and replacements. Suppose now we wish to also allow two adjacent characters to be swapped. For example, the following alignment for "COLOR" and "COOL" requires 2 edits:

Devise an efficient algorithm to compute the edit distance of two sequences, where insertions, deletions, replacements, and swaps each incur a cost of 1.

Problem 5 (20 Points). Shortest path algorithms can be applied in currency trading. Suppose we have n different currencies 1, ..., n. For any two currencies, there is an exchange rate  $r_{i,j}$ ; this means that you can purchase  $r_{i,j}$  units of currency j in exchange for one unit of currency i. These exchange rates satisfy the condition that  $r_{i,j} \cdot r_{j,i} < 1$ , so that if you start with a unit of currency i, change it to currency j, and then convert back to i, you end up with less that one unit of currency i. The difference is the cost of the transaction.

(a) Give an efficient algorithm for the following problem: Given a set of exchange rates  $r_{i,j}$ , and two currencies s and t, find the most advantageous sequence of currency exchanges for converting currency s into currency t. Toward this goal, you should represent the currencies and rates by a graph whose edge lengths are real numbers.

The exchange rates are updated frequently, reflecting the demand and supply of the various currencies. Occasionally the exchange rates satisfy the following property: there is a sequence of currencies  $i_1, ..., i_k$  such that  $r_{i_1,i_2} \cdot r_{i_2,i_3} \cdot ... \cdot r_{i_{k-1},i_k} \cdot r_{i_k,i_1} > 1$ . This means that by starting with a unit of currency  $i_1$ , and then successively converting it to currencies  $i_2, i_3, ..., i_k$  and finally back to  $i_1$ , you would end up with more than one unit of currency  $i_1$ . Such anomalies last only a fraction of a minute on the currency exchange, but they provide an opportunity for risk-free profits.

(b) Give an efficient algorithm for detecting the presence of such an anomaly. Use the graph representation you found above.

Total points: 100