Question 1

Read The Financial Modelers' Manifesto http://tiny.cc/finmm

https://papers.ssrn.com/sol3/papers.cfm?abstract\_id=1324878

Write a paragraph on

–Agree? Disagree?

We acknowledge & agree with the manifesto’s assertion.

Models with mathematical/statistical capabilities, cannot fully capture the complexities and unpredictability of human behavior or changing dynamics of financial markets.

–What are some similarities to what we are facing now?

Similarities, what we are facing now are the inherent uncertainty and dynamic nature of financial markets. We continue to face uncertainties and constantly changing market conditions.

In terms of similarities to what we are facing now, the manifesto highlights the inherent uncertainty and dynamic nature of financial markets. The authors refer to the 2007 collapse in subprime mortgages and the subsequent challenges in financial markets. Today, we continue to face uncertainties and rapidly changing market conditions, as evident in recent events like the COVID-19 pandemic and its impact on global economies. The need to adapt models to new regimes, the unpredictability of market movements, and the recognition of anomalies are relevant aspects in both the manifesto's context and the present scenario.

–What are dissimilar?

There are also dissimilarities between the Financial Modeler's Manifesto and the current landscape. The manifesto was published in 2009, during a time when the financial crisis was still unfolding. Since then, the regulatory environment and market dynamics have evolved significantly. New challenges, such as technological advancements, changing regulatory frameworks, and increasing data availability, have emerged. These factors have prompted the need for more sophisticated modeling techniques, including the use of artificial intelligence and machine learning algorithms.

–Anything you have noticed

One notable observation is the heightened awareness and scrutiny surrounding financial models. Stakeholders, including regulators, investors, and the general public, are more conscious of the potential risks and limitations associated with financial models. There is a growing demand for increased transparency, robust validation processes, and the integration of alternative modeling techniques to complement traditional approaches. These shifts reflect a broader recognition of the importance of effective financial modeling in decision-making processes.

**Considering the Financial Modeler's Manifesto and its relevance to the current landscape, we acknowledge and agree with its assertion that mathematical and statistical models cannot fully capture the complexities and unpredictability of human behavior and financial markets. Drawing similarities to our present situation, we recognize the inherent uncertainty and dynamic nature of financial markets, exemplified by events like the 2007 subprime mortgage collapse and recent disruptions such as the COVID-19 pandemic. Published in 2009 amidst an unfolding financial crisis, the manifesto's perspective reflects the regulatory environment and market dynamics of that era. Since then, significant changes have occurred, hence we acknowledge the dissimilarities due to changes in regulatory frameworks, technological advancements, and increased data availability. We noticed that there is a heightened awareness and scrutiny surrounding financial models, with stakeholders demanding transparency, robust validation processes, and the integration of alternative modeling techniques. These observations reflect a broader recognition of the importance of effective financial modeling in decision-making processes.**

Question 2

Read the Asilomar AI Principles from 2017 conference

https://futureoflife.org/open-letter/ai-principles/

Write a paragraph on your thoughts

The Asilomar AI Principles from the 2017 conference provide valuable insights into the ethical considerations surrounding AI. These principles emphasize the need for AI to be designed and deployed in a manner that benefits all of humanity. We appreciate the emphasis on long-term safety, which highlights the importance of ensuring that AI systems are built with safeguards to prevent unintended negative consequences. Additionally, the principles promote research that aims to understand and address the impact of AI on employment and society at large, demonstrating a commitment to responsible development. The call for AI to be used for the greater good and to avoid enabling uses that could harm humanity or concentrate power is also noteworthy. Overall, the Asilomar AI Principles provide a comprehensive framework that encourages responsible and ethical AI practices, making them a valuable reference for the field of data ethics.