## **Quiz: Intro to Machine Learning**

**Due** Feb 15 at 3:30pm

Points 3

**Questions** 3

Time Limit 10 Minutes

## Instructions

This is an individual quiz with a 10 minutes limit.

## Attempt History

You Answered

	Attempt	Time	Score
LATEST	Attempt 1	5 minutes	1 out of 3

Score for this quiz: 1 out of 3 Submitted Feb 3 at 6:28pm This attempt took 5 minutes.

# 0 / 1 pts **Question 1** Which of the following statements are inference? The most successful fintech companies have a foreign CEO. Lendingclub should thus hire a foreign CEO as well. This is a predictive analysis. Success is correlated with having a foreign CEO, but correlation does not mean causation. Rating agencies need to estimate the likelihood of default of corporations. They use leverage ratio, interest coverage ratio, and profitability as measures of financial distress. Correct Answer I want to increase the clickthrough rate on my blog. I thus randomize the placement of the ad banner, and find the one with the highest rate.

#### Correct!

 $\checkmark$ 

According to my analysis, streamlining the financial regulation of banks would lower the barriers to entry, and increase competition in the financial sector.

This is a causal statement. Lower regulatory burden would clearly allow more banks to enter and compete with established incumbent.

### Question 2 0 / 1 pts

Which of the following are **supervised learning** analyses.

My analysis groups credit card holders into groups based on their delinquency history, and income.

My algorithm classifies transactions into buckets based on their origin, time, and type of purchases.

#### You Answered



My analysis shows that fintech firms are more similar to financial service firms, than technology firms.

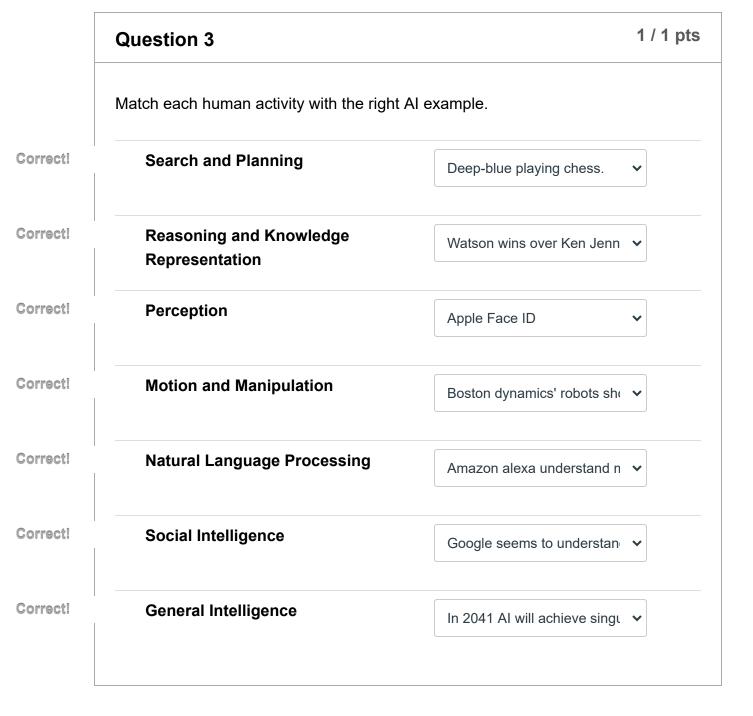
Wrong. This is an unsupervised learning exercise. There is no outcome variable. The purpose of the analysis is to put firms into clusters.

#### Correct!



I want to predict tomorrow's stock price returns, using todays stock price returns, accounting data, and volatility.

Correct. This is supervised learning, as there is an outcome variable (future stock price returns) and input variables (today's stock price returns, accounting data, and volatility).



Quiz Score: 1 out of 3