

Question 2.1

Describe a situation or problem from your job, everyday life, current events, etc., for which a classification model would be appropriate. List some (up to 5) predictors that you might use.

Working in finance, a classification model representing what funds are a good investment would be appropriate. In this classification model, 1 would represent a buy indicator and a 0 would represent not to invest. A couple predictors could be: fund's current price to it's moving average, it's MACD position, being oversold/overbought, or any bullish flags present.