**EXECUTIVE SUMMARY**

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1. **Business Understanding**: This report was commissioned to use 9 financial metrics to build an accurate company credit default-forecasting model, which could provide valuable information for financial and business decisions.
2. **Data Understanding**: Dataset provided contains 9 financial metrics for the past 10 years for 10,000 companies with credit default information. But because of lacking information, there are huge amount of missing data in the dataset.
3. **Modeling**: Logistic Regression and Decision Tree were used to build the model since the dependent variable is categorical. We used misclassification rate to evaluate our model.
4. **Evaluation**: The Logistic Regression and Decision Tree models all performed well with error rate less that 12%, so this model is reliable and could be used in practice.