MAQΣ

Data Science Homework

Scenario:

Suppose that we have access to several years of annual financial reports of companies in, say, Sweden -- with information like e.g., Average debt/equity ratio, Total net operating income, Total assets, Net profit/loss for that year, etc.

Also suppose that we know whether these companies are doing OK or the exact date when these companies went bankrupt.

We are in the business of giving out loans and so we would like to assess how likely a given company is going to go bankrupt within, say, a year.

Explain how you would go about using machine learning to "solve" this problem and how you would evaluate your "success".

Feel free to make (and clearly state) any reasonable additional assumption not explicit in the problem statement.

[Please do not spend more than a couple of hours on this homework. We just want to understand your thought process.]