

Configuration Manual

MSc Research Project

Programme Name: MSCFTD1

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MSc Project Submission Sheet



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Programme:MSCFTD1..... Year:2024.....

Module: MSC Research project.....

Lecturer:: Faithful Onwuegbuche

Submission Due

Date:16/09/2024.....

Project Title: CREDIT RISK ASSESSMENT OF CONSUMER LOANS IN INDIA
USING MACHINE LEARNING TECHNIQUES

Word Count:715..... Page Count:5.....

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1 Introduction

This is the configuration manual of the research project for the title. This will provide detail instruction for setup the environment, software for code.

2 Hardware/Software Requirements

2.1 Hardware Requirements

The system hardware configuration on which the research models are developed and successfully executed. These configurations are given below.

Hardware configuration

Device name	venuchowdary7
Processor	Intel(R) Core(TM) i5-1035G1 CPU @ 1.00GHz 1.20 GHz
Installed RAM	8.00 GB (7.74 GB usable)
Device ID	1D106EF5-9A66-40BC-B8EE-576C654FAACF
Product ID	00327-36310-15496-AAOEM
System type	64-bit operating system, x64-based processor
Pen and touch	No pen or touch input is available for this display

2.2 Software Requirement:

The software requirement for the research project to develop the machine learning and neural network algorithms are given below.

- Integrated Development Environment: Jupyter notebook
- Programming language: Python 3.7+
- Data storage: local server
- Other software: Excel /CSV, Text editor.

3 Environment setup:

Jupyter notebook: To setup jupyter notebook, Anaconda software must be downloaded first. After installing the anaconda, jupyter is the default software in anaconda.

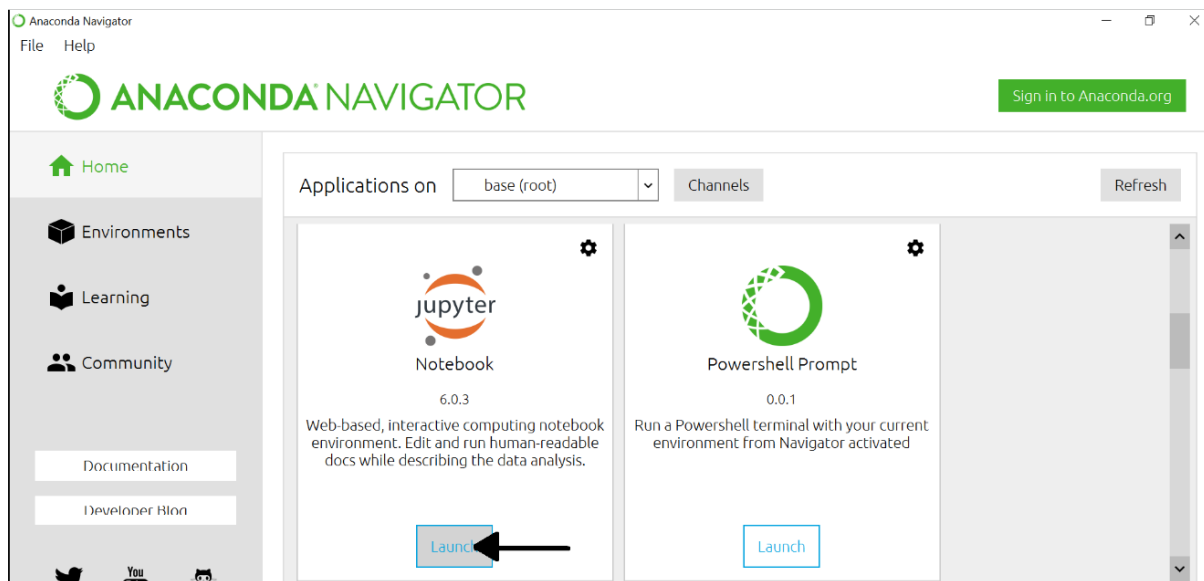


Fig1 : Anaconda application

5. Data Preparation

5.1 Load Dataset

1. Place your dataset (e.g., credit_data.csv) in the project directory.
2. Load the dataset in your Python script or Jupyter Notebook:

python

import pandas as pd

```
df = pd.read_csv('credit_data.csv')
```

5.2 Data Cleaning

1. **Handle Missing Values:**

```
Python df = df.dropna() # Drop rows with missing values
```

```
# Or fill missing values
```

```
df.fillna(method='ffill', inplace=True)
```

2. **Encode Categorical Variables:**

```
Python df = pd.get_dummies(df, drop_first=True)
```

3. **Feature Scaling:**

```
Python from sklearn.preprocessing import StandardScaler
```

```
scaler = StandardScaler()
```

```
scaled_features = scaler.fit_transform(df)
```

4. **Split Dataset:**

```
Python from sklearn.model_selection import train_test_split
```

```
X = df.drop('target_variable', axis=1)
```

```
y = df['target_variable']
```

```
X_train, X_test, y_train, y_test = train_test_split(X, y, test_size=0.2, random_state=42)
```

6. Model Building

6.1 Random Forest Classifier Setup

1. Import the Random Forest Classifier:

```
Python from sklearn.ensemble import RandomForestClassifier
```

```
model = RandomForestClassifier(n_estimators=100, random_state=42)
```

2. Train the model:

```
Python model.fit(X_train, y_train)
```

6.2 Model Evaluation

1. Performance Metrics:

```
Python from sklearn.metrics import accuracy_score, precision_score, recall_score, f1_score,
confusion_matrix
y_pred = model.predict(X_test)
accuracy = accuracy_score(y_test, y_pred)
precision = precision_score(y_test, y_pred)
recall = recall_score(y_test, y_pred)
f1 = f1_score(y_test, y_pred)
conf_matrix = confusion_matrix(y_test, y_pred)
```

```
print(f'Accuracy: {accuracy}')
print(f'Precision: {precision}')
print(f'Recall: {recall}')
print(f'F1-Score: {f1}')
print(f'Confusion Matrix:\n{conf_matrix}')
```

7. Running the Project

7.1 Execute in Jupyter Notebook

1. Launch Jupyter Notebook:

```
jupyter notebook
```

2. Open your notebook file and run the cells sequentially.

7.2 Execute in Python Script

1. Ensure your virtual environment is activated.
2. Run your Python script:

```
python main.py
```

8. Conclusion

This configuration manual provides a step-by-step guide to set up and run your machine learning project for credit risk assessment using the Random Forest Classifier. Ensure that all dependencies are installed correctly and follow the steps in order for optimal performance.