

Critical analysis of AI output project

Dr. Vivek Raval, ACTG-502

1 Purpose

The purpose of this assignment is to expose the graduate students of ACTG-502 to the costs and benefits of using generative AI models for financial statement analysis. As generative AI continues to improve and become a frequently used tool in business, it is important that graduate students have exposure to and some experience working with the output of these models. This project is not intended to cover other important aspects of using generative AI, including generating output, prompt engineering, or generative AI model design.

2 Background

I have generated output using ChatGPT (chatgpt.com, ChatGPT 4o mini) on November 11, 2024, with the following prompt: *please provide a ratio analysis for AAP including 5 basic ratios, their interpretation, and an overall buy/sell recommendation for the stock.* I have provided the output (formatted for .pdf output) on blackboard as “GPT output.” The prompt was intentionally vague, mimicking a novice user.

3 Objective

Students should provide a written critical analysis of the AI output. Each student should consider the following questions at a minimum:

- Is the AI using the right ratios and formulas to assess the firm’s performance?
- From where should the AI gather data for calculating the ratios?
- Are the ratios calculated correctly?
- Can the ratio analysis be improved?
- Do you agree with the analysis provided for each ratio?
- Do you agree with the overall buy/sell recommendation?

4 Requirements

Each student should submit their own write-up in .pdf format by the deadline via email to vraval@uic.edu. The document should not exceed two pages in length, including tables and figures. Documents must be edited for readability and formal business presentation, including spelling and grammar, clear and concise writing, consistent formatting, font choice, headers and footers, page numbering, spacing, tabular presentation, block quotes, and other elements of formal writing. Failure to follow instructions will result in severe grade penalties.

5 Due Dates

- Your written critical analysis is due Friday, December 6, 2024.

6 Grades

This project counts for 34% of the project grade for the class. Grades are based on the degree to which the documents follow the instructions above, the completeness of considerations, and the insights demonstrated.