

**USING ROC CURVE TO OPTIMIZE
THE PERFORMANCE OF
DECISION TREES**

(With application in the development of credit-scoring models for consumer products)

by

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Abstract

A procedure for the use of ROC curve in the splitting and stopping rules of a decision tree is developed in this study. Credit scoring models are generated to compare the performance of the proposed procedure with CART, logistic regression and neural networks.

The results of the study show that the proposed procedure yields higher sensitivity and accuracy compared with other classification methods.