

AI TOOLS

AI Terms Explained in Plain English

By Mahesh Ramanujam, FCA · March 26, 2026 · promptedgrad.com/ai-terms-explained-prompt-token-context-window/

Key Points

1

Prompt — the instruction you give AI. The quality of your output depends almost entirely on the quality of your prompt.

2

Token — the unit AI uses to measure text (roughly 0.75 words). Free plans have token limits per conversation.

3

Context Window — how much text AI can "remember" in one conversation. When exceeded, AI forgets earlier parts.

4

Hallucination — when AI confidently states something false. Always verify facts, figures, and citations from AI.

5

RAG (Retrieval Augmented Generation) — AI that looks up real information before answering. More accurate than standard AI.

6

Temperature — controls how creative vs predictable AI responses are. High = creative, Low = consistent and factual.

7

Model — the specific version of AI (GPT-4o, Claude Sonnet, Gemini Pro). Different models have different strengths.

Key Takeaway

Understanding these terms does not make you a developer. It makes you a smarter, safer, and more effective AI user.

Read the full article free at:

promptedgrad.com/ai-terms-explained-prompt-token-context-window/

© 2026 PromptedGrad · Written by Mahesh Ramanujam, FCA · Free to share

