

Week 2: Diamonds are a Data Scientist's Best Friend

August 9, 2021



- 1. Neural Networks
- 2. Normalization
- 3. Training and Testing

Problem:



After the success of week one of BrainTank, figures in the tech world have been paying attention. A mysterious wealthy business-man has seen the amazing Cow-Predictor algorithm we developed last week, and now he wants us to use our deep learning ability to make an algorithm for him. He is a collector of rare diamonds and wants us to create a deep learning algorithm to be able to predict at what price he should sell his diamonds at. He has given us a list of information about all diamonds in his collection and he wants us to use all that information to make an algorithm that can predict price.



7,845 Diamonds

About the Dataset



Diamond ID	Shape	Carat (Weight)	Colour	Clarity	Price (CAD)
2	Cushion	0.5	J	VS2	1700.94
28	Emerald	0.51	G	IF	1971.94
345	Round	1.09	Н	VS1	11,724.09
6301	Princess	1.53	D	FL	23,434.00
432	Pear	0.3	D	VVS1	1500.00
5493	Emerald	5.6	J	VVS2	125,840.39
1230	Cushion	4.21	I	VVS1	86734.81
7000	Pear	3.7	D	VS1	63779.06
			•••	•••	



Feature 1: Shape



Diamond Shapes: {"Cushion", "Emerald", "Heart", "Oval", "Pear", "Princess", "Radiant", "Round"}



Feature 2: Carat



Diamond Carats: 0.19 Carats -> 5.6 Carats



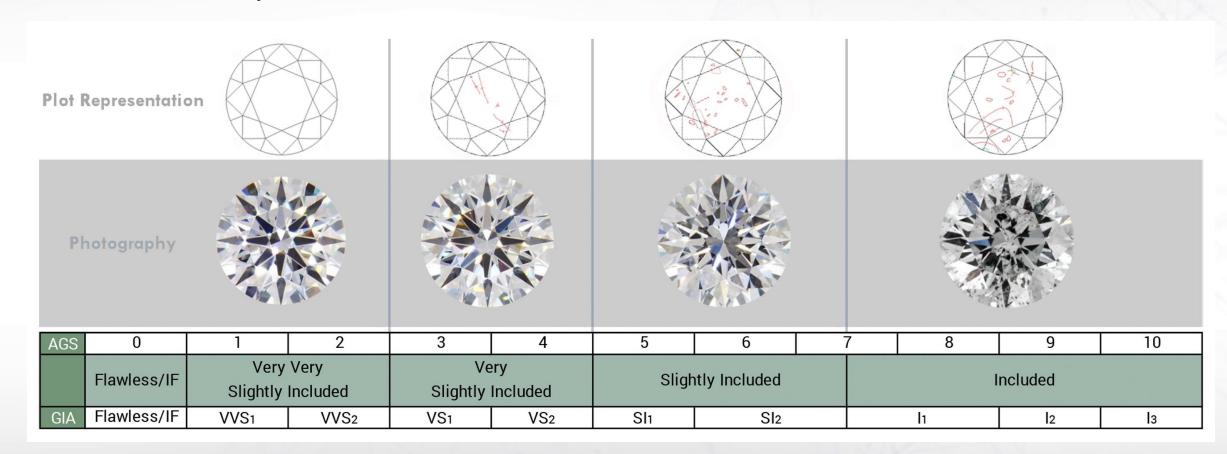
Feature 3: Colour



Diamond Colours:{"D", "E", "F", "G", "H", "I", "J"}



Feature 4: Clarity



Diamond Clarities: {"FL", "IF", "VVS1", "VVS2", "VS1", "VS2", "SL1", "SL2"}



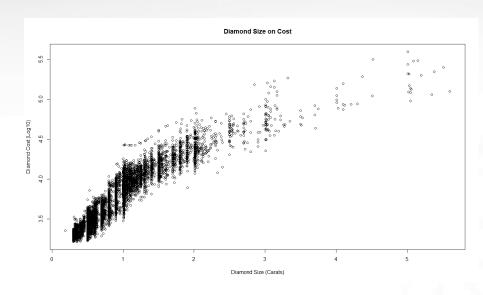
Target: Cost

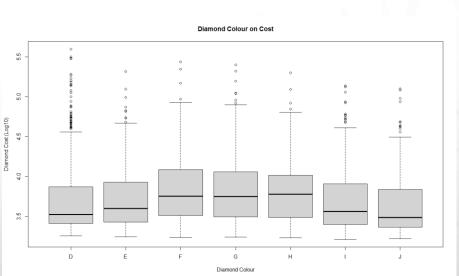
Diamond Example:								
Shape	"Round"							
Carat	0.5							
Colour	F							
Clarity	VVS1							

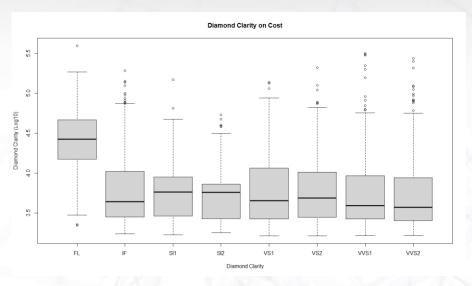
\$3,745.16

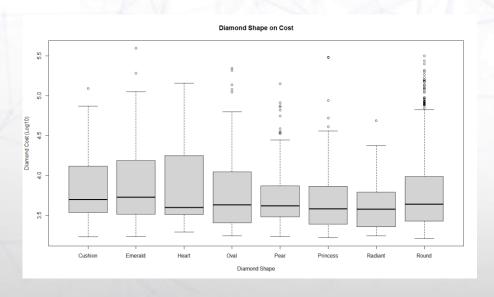
Diamond Prices: \$1,628.67 CAD -> \$393,183.50 CAD
Shape, carat, colour, and clarity are features that determine cost



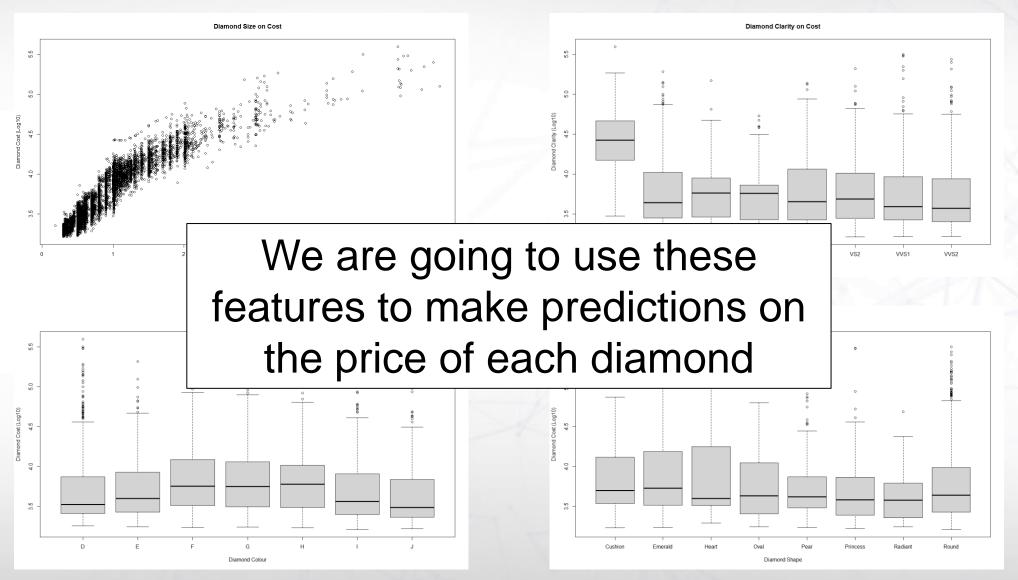












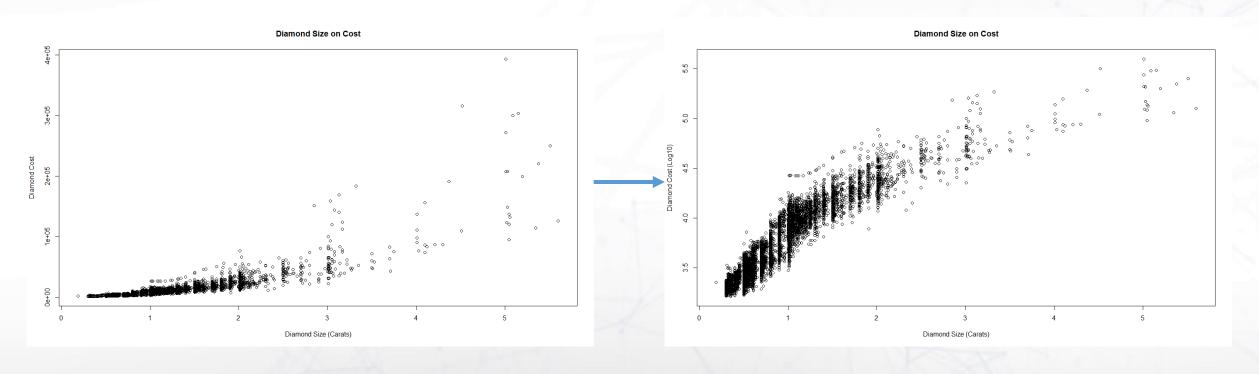
Morphing the dataset:



1. Adjust variables so they have a linear nature2. Normalize data

Adjust variables so are linear:





Our Prices data has an exponential curve. We want to adjust that so values can fall more evenly between their minimum and maximum values. We doing this by taking the log10() of each price

Normalize Data:



Normalization Formula

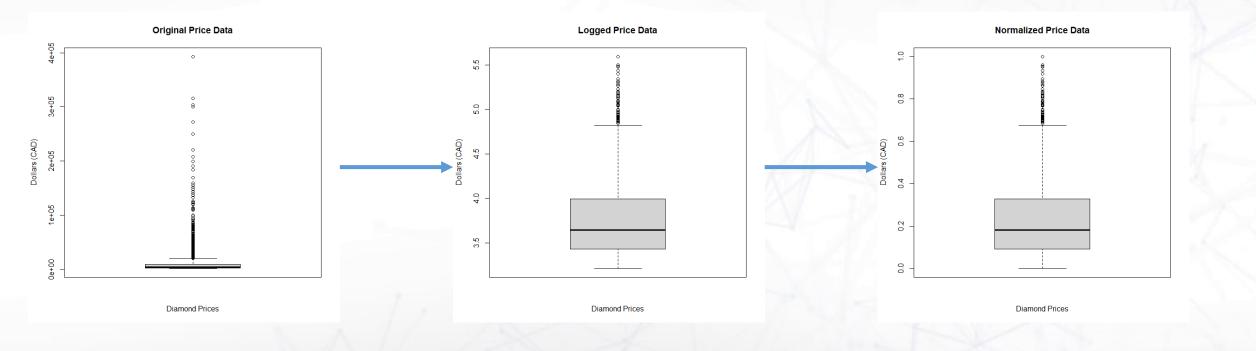
$$X_{normalized} = \frac{(x - x_{minimum})}{(x_{minimum} - x_{minimum})}$$



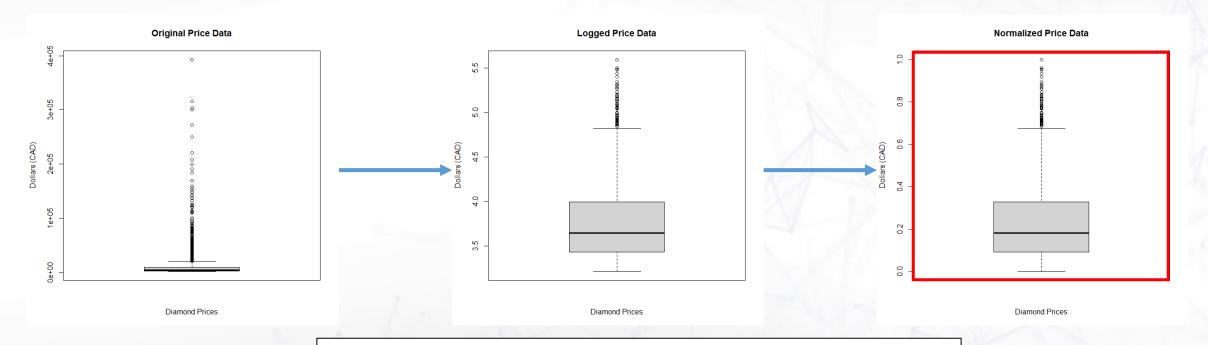


We want all of our features and our target to fall in between 0 and 1. We can achieve that by using this formula. We do this because Neural Networks do not like big numbers



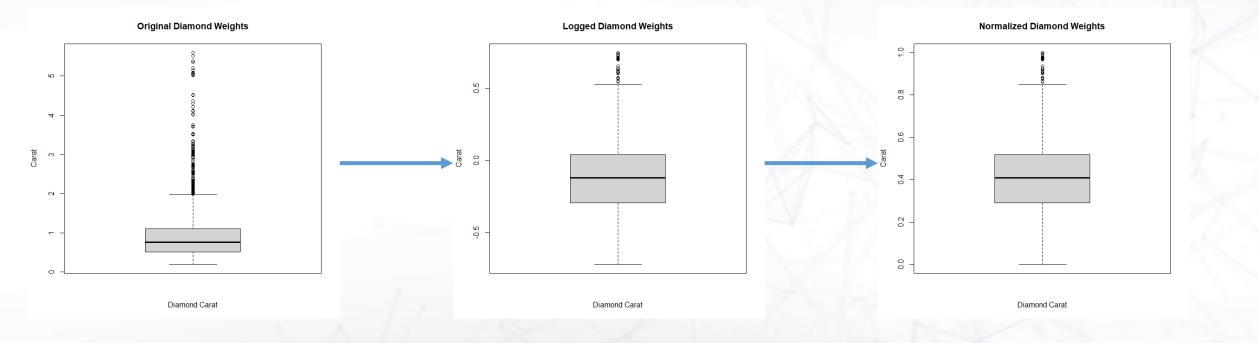




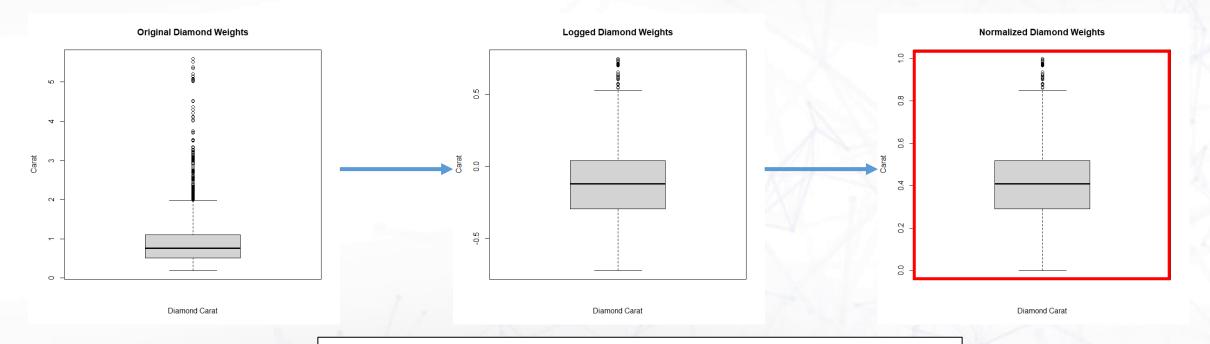


The left and the right sets of data contain the exact same information, but the normalized data is easier for the model to use



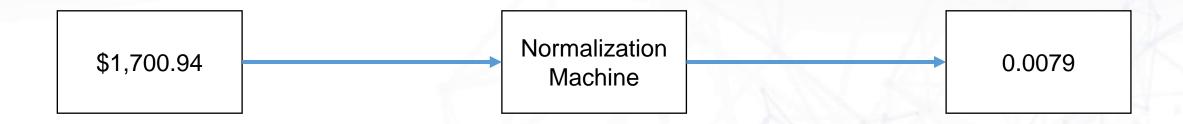




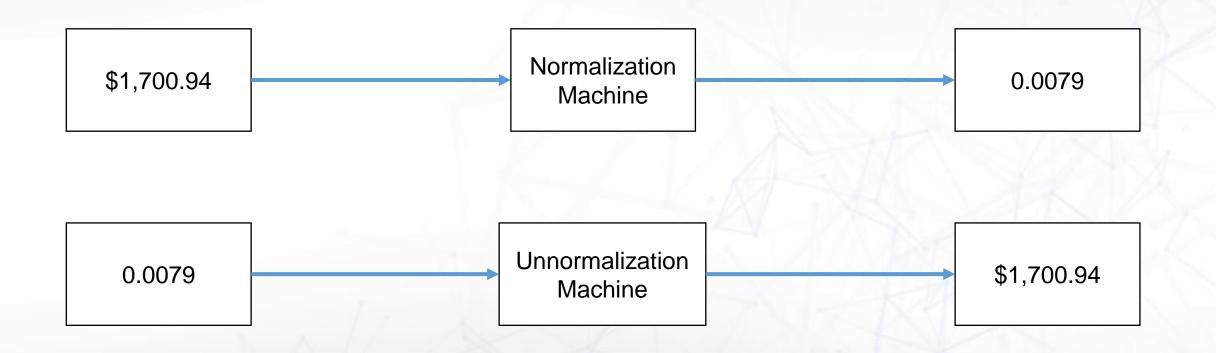


The left and the right sets of data contain the exact same information, but the normalized data is easier for the model to use

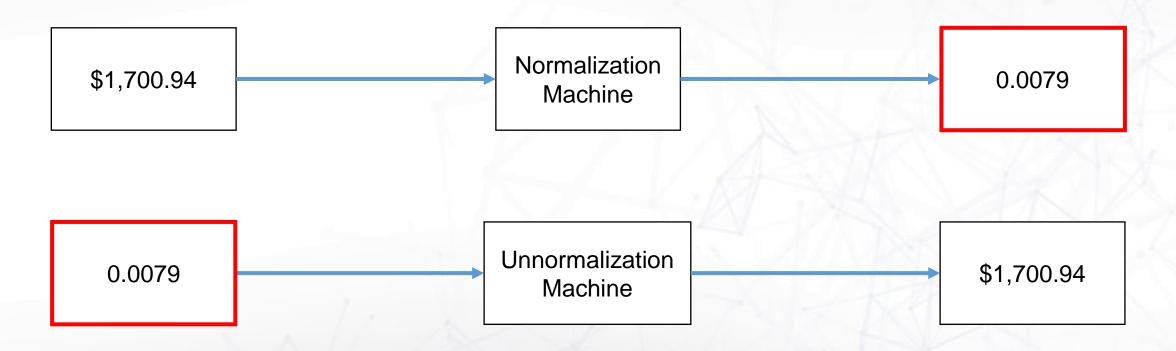












The normalized values have properties that neural networks love, while it is difficult for neural networks to work with large exponential values like our prices are.



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7000	Pear	3.7	D	VS1	63779.06
			•••		



																							1 to 10 of 7	1 to 10 of 7845 entries Filter				
A	Price	Carat	D	Е	F	G	н	1	J	FL	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	Cushion	Emerald	Heart	Oval	Pear	Princess	Radiant	Round			
0	0.007913461796532396	0.05730129390018485	0	0	0	0	0	0	1 (0	0	0	0	0	1	0	0	1	0	0	0	0	0	0	0			
1	0.03399082776760116	0.05730129390018485	0	0	0	1	0	0	0 (0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0			
10	0.05339124909704686	0.05730129390018485	0	0	0	1	0	0	0 (0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0			
100	0.19117304805782878	0.1515711645101664	0	0	1	0	0	0	0 (0	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0			
1000	0.18872036940097583	0.11275415896487989	0	1	0	0	0	0	0 (0	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0			
1001	0.16070730422465399	0.11275415896487989	0	0	1	0	0	0	0 (0	0	0	0	0	1	0	0	0	0	0	0	1	0	0	0			
1002	0.13484110407479374	0.11275415896487989	1	0	0	0	0	0	0 (0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	0			
1003	0.15651729968338313	0.11275415896487989	0	1	0	0	0	0	0 (0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	0			
1004	0.18236210618944565	0.11645101663585952	0	0	1	0	0	0	0 (0	0	0	1	0	0	0	0	0	0	0	0	1	0	0	0			
1005	0.189282574308784	0.12014787430683918	0	0	1	0	0	0	0 (0	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0			
Show	10 v per page																				1 2	2 10	100	700 780	785			

Target

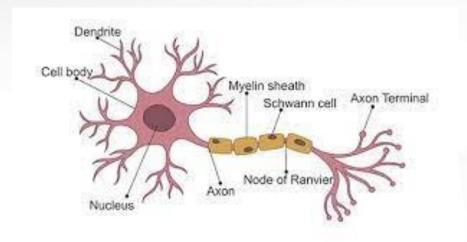
24 x Features



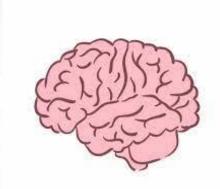
Neural Networks

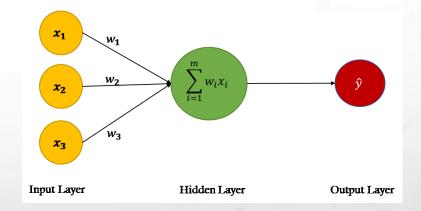
Neural Networks



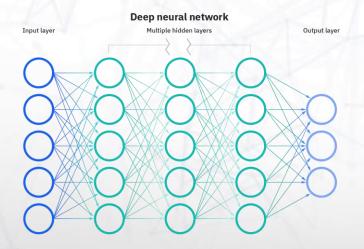




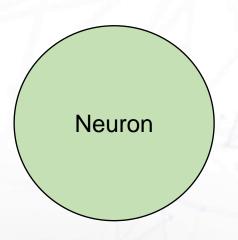








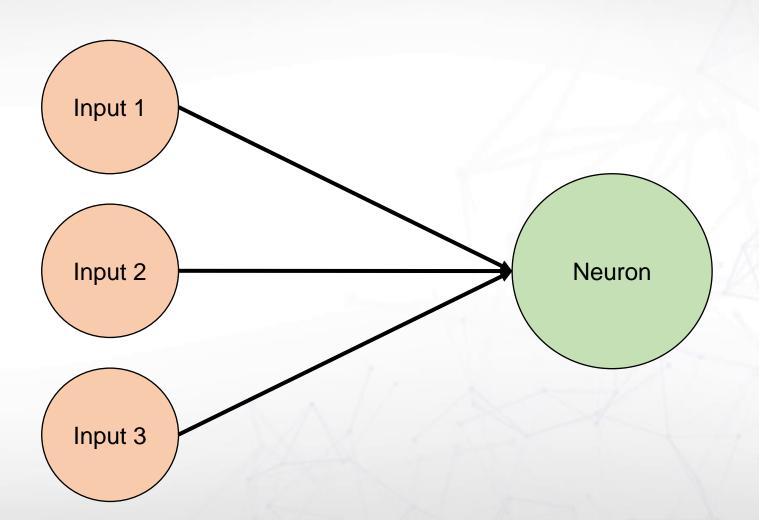




Parts of a Neural Network

1. Neuron

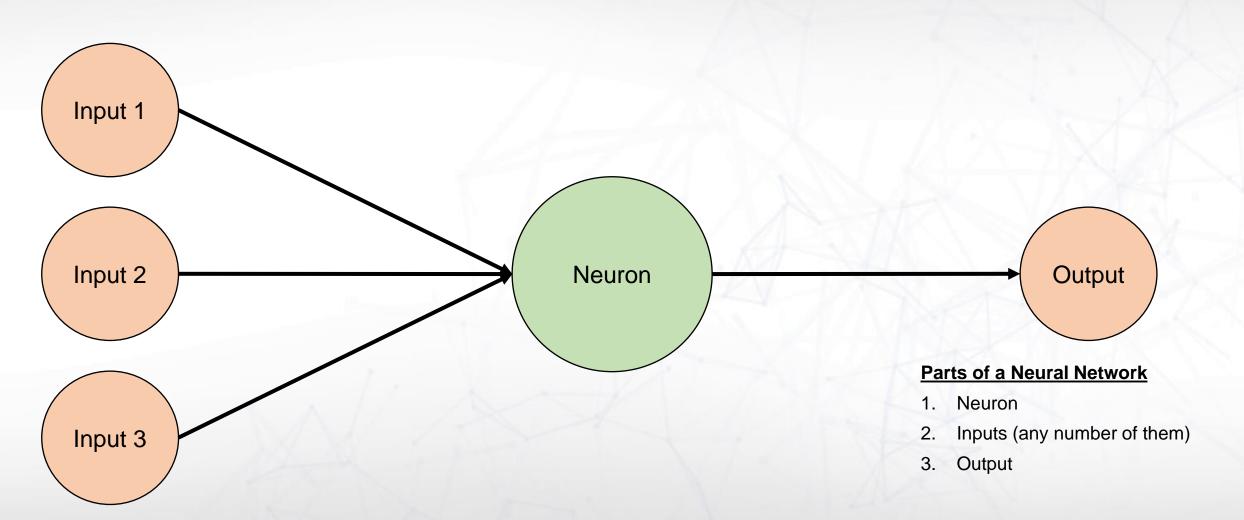




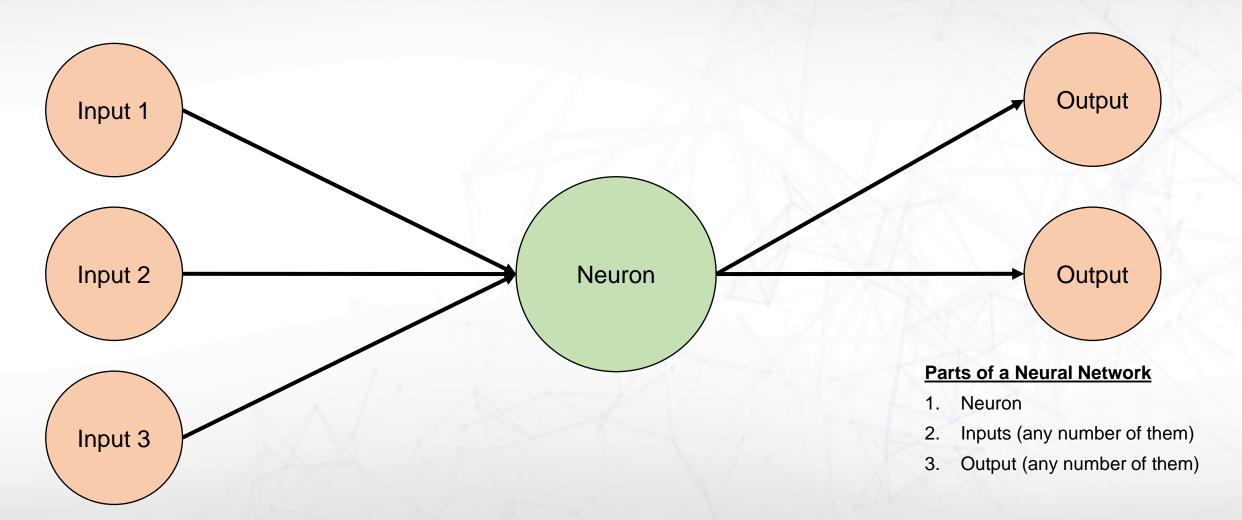
Parts of a Neural Network

- 1. Neuron
- 2. Inputs (any number of them)

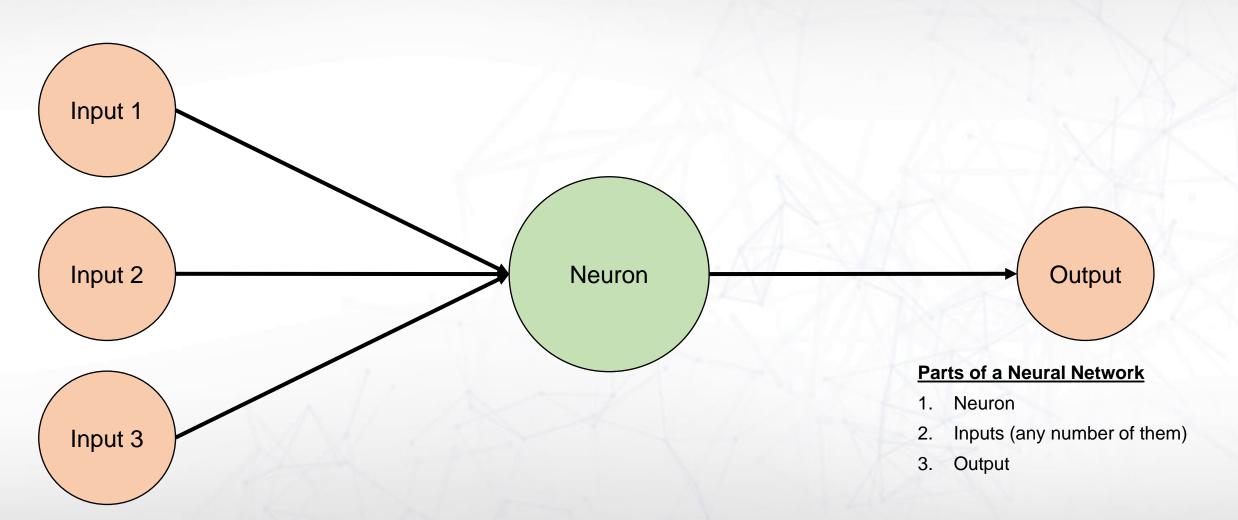




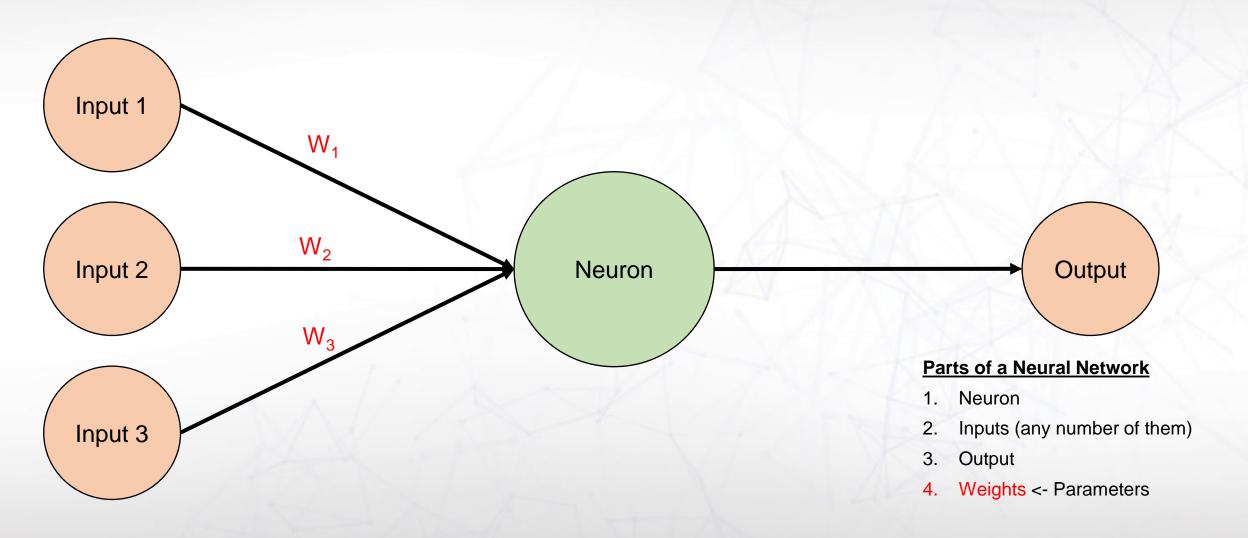




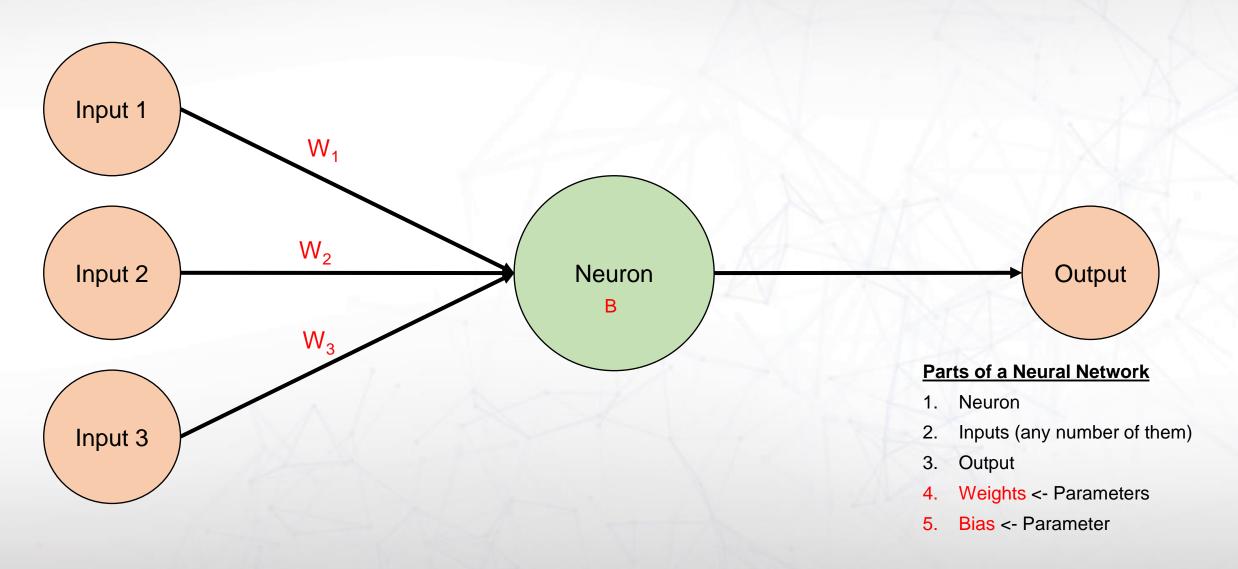




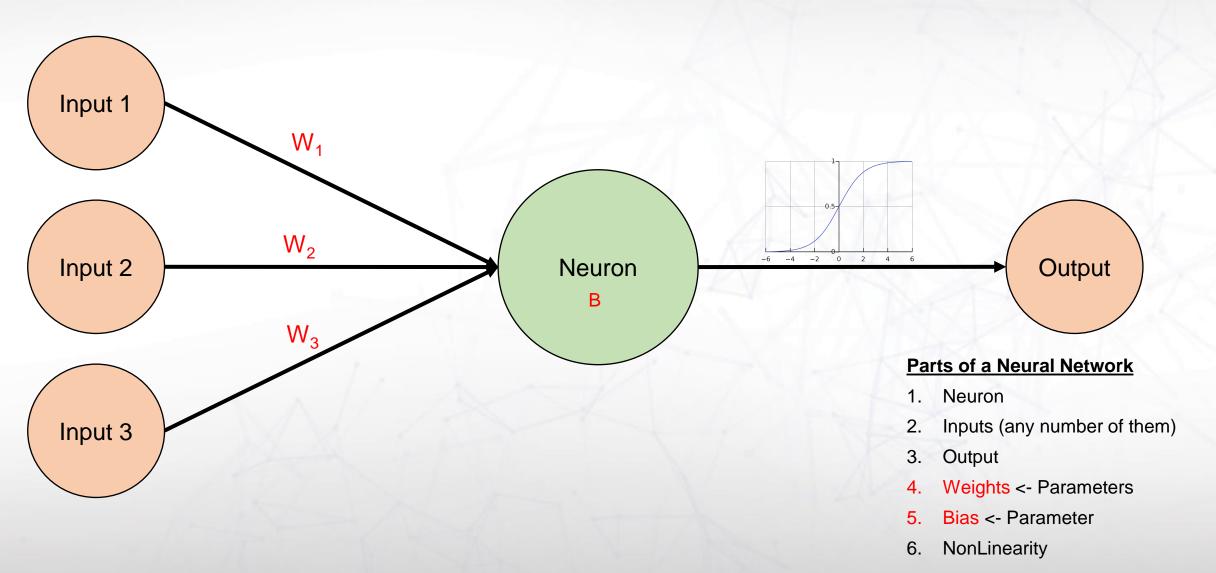




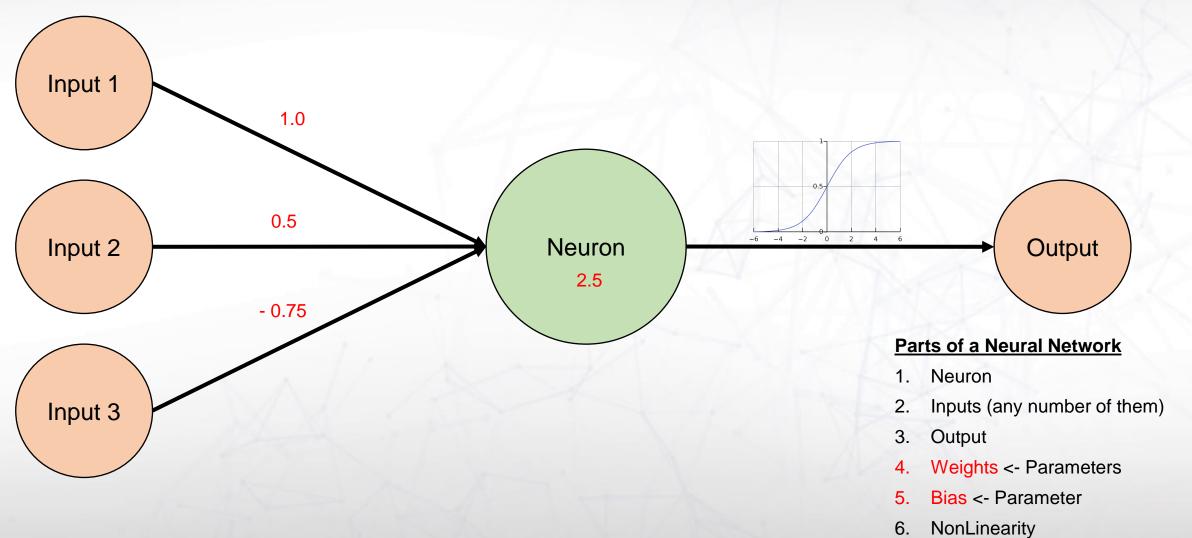




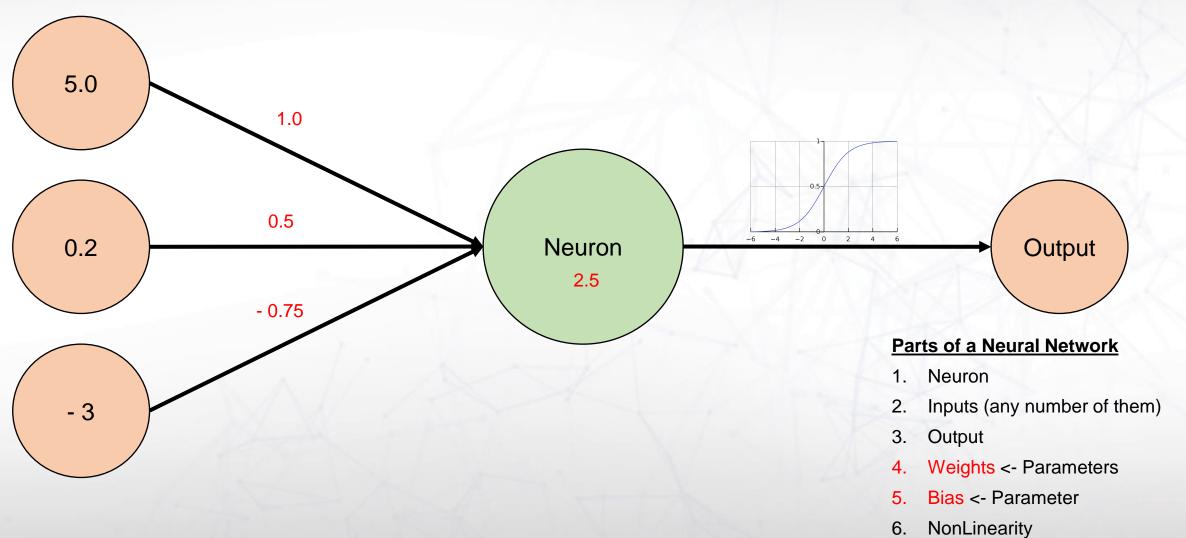




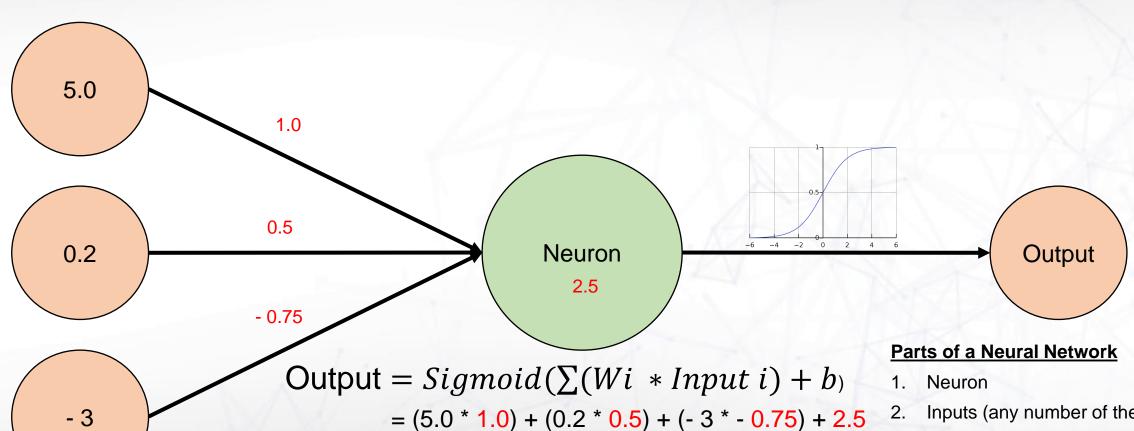






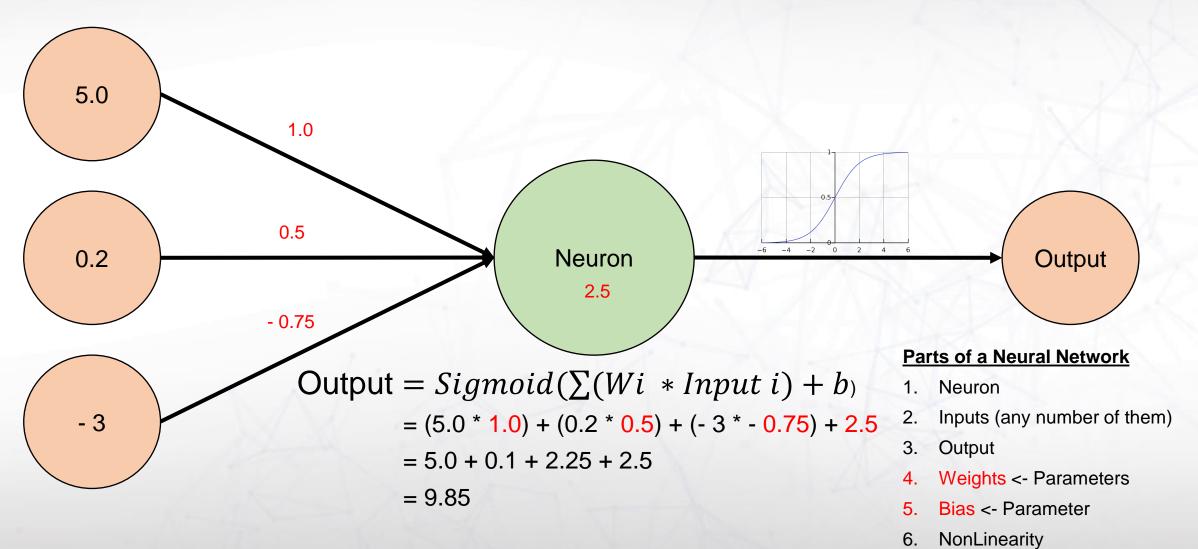




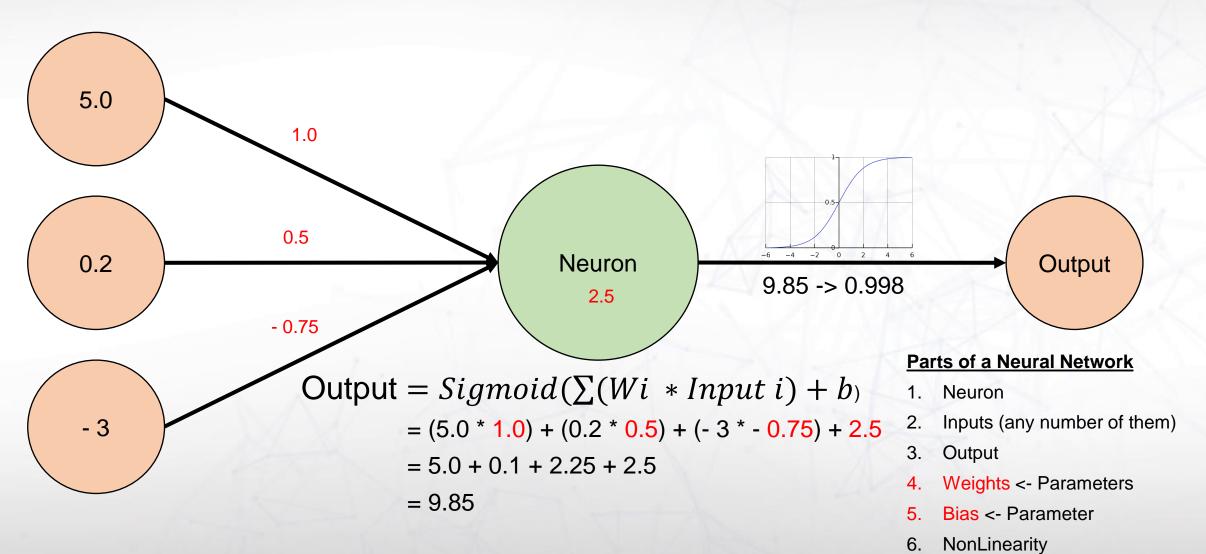


- Inputs (any number of them)
- Output
- Weights <- Parameters
- Bias <- Parameter
- NonLinearity

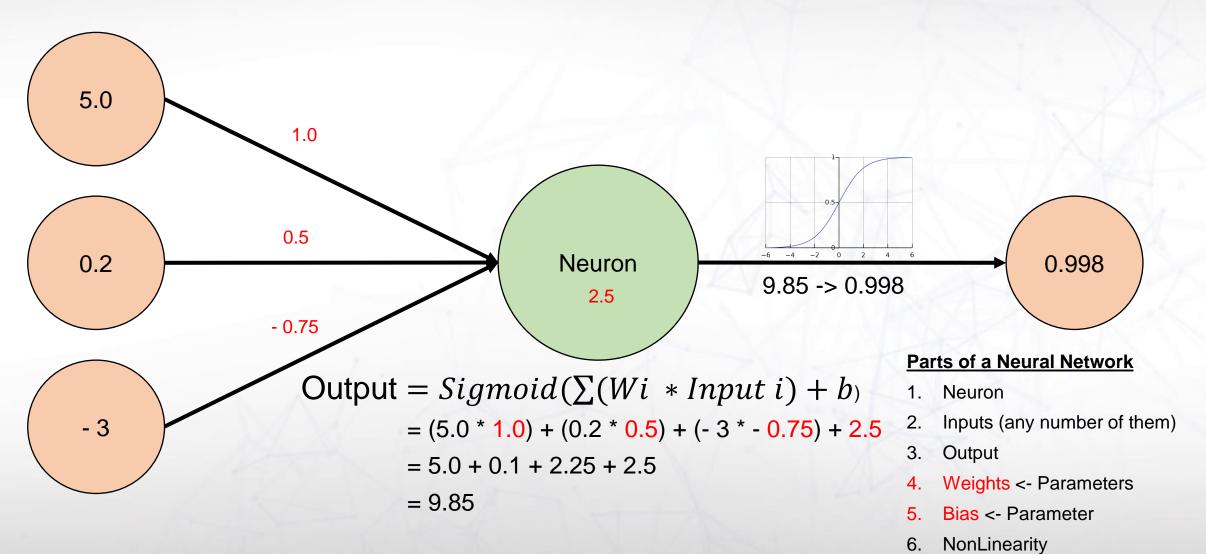






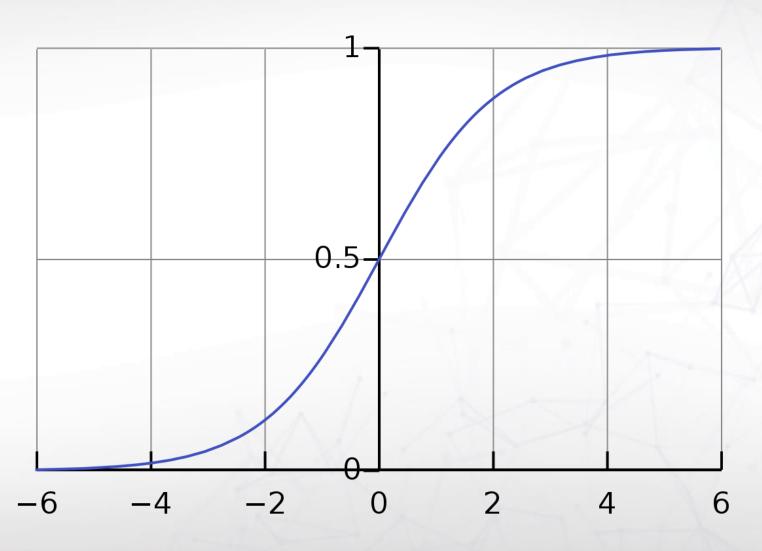






Sigmoid (non-linearity):





Sigmoid:

Takes an input and puts it in between the values of 0 and 1

Input 0 -> Output 0.5

Input 1 -> Output 0.75

Input 2 -> Output 0.83

Input 100 -> Output ~ 1.00

Input -1 -> Output 0.25

Input -2 -> Output 0.17

Input -100 -> ~ 0.00

Why? It makes your ANN nonlinear (math term).

Intuition: The model can learn that:

0 -> False, 1 -> True



Why do these Neural Networks work?



Question: Should I walk my dog today?



Question: Should I walk my dog today?

How sunny is it today?

Value -1 -> raining

Value 1 -> sunny



Question: Should I walk my dog today?

How sunny is it today?

Value -1 -> raining

Value 1 -> sunny

Do I feel like I want to walk?

Value -1: -> No

Value 1: -> Yes



Question: Should I walk my dog today?

How sunny is it today?

Value -1 -> raining

Value 1 -> sunny

Is my dog at Grandma's house right now

Value 0: -> No

Value 1: -> Yes

Do I feel like I want to walk?

Value -1: -> No

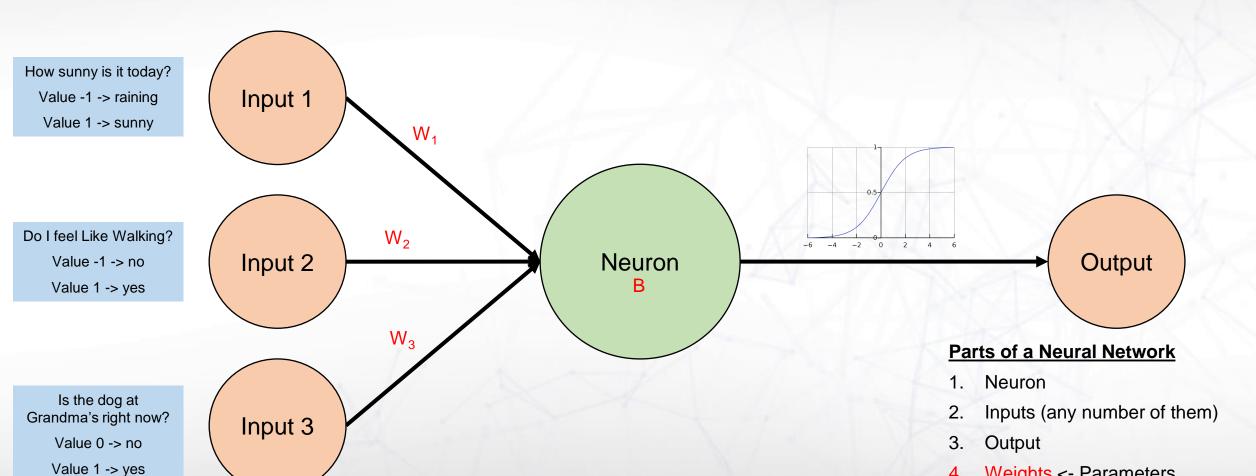
Value 1: -> Yes



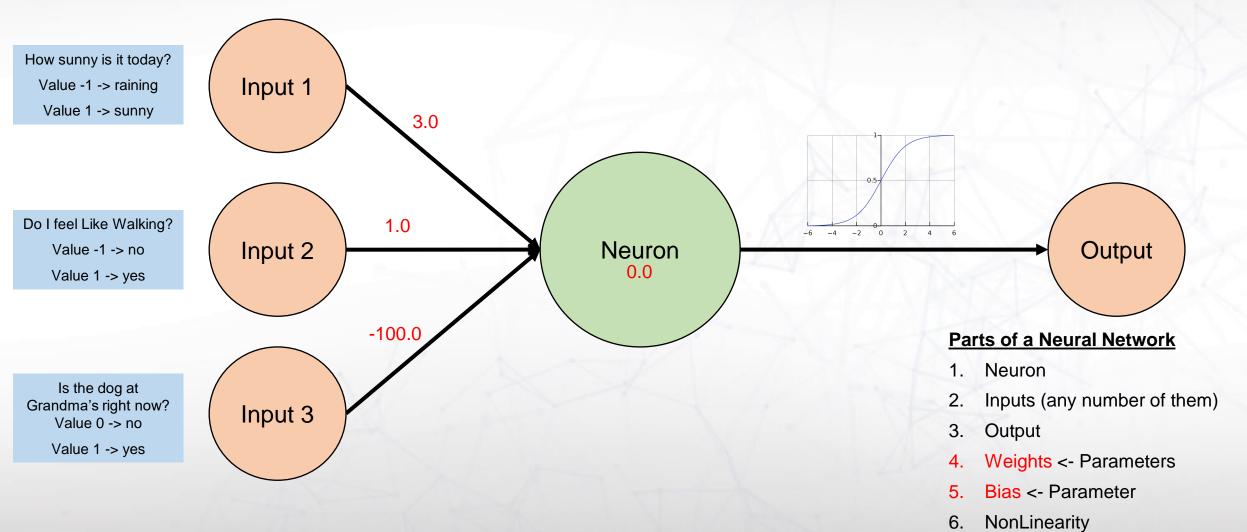
Weights <- Parameters

Bias <- Parameter

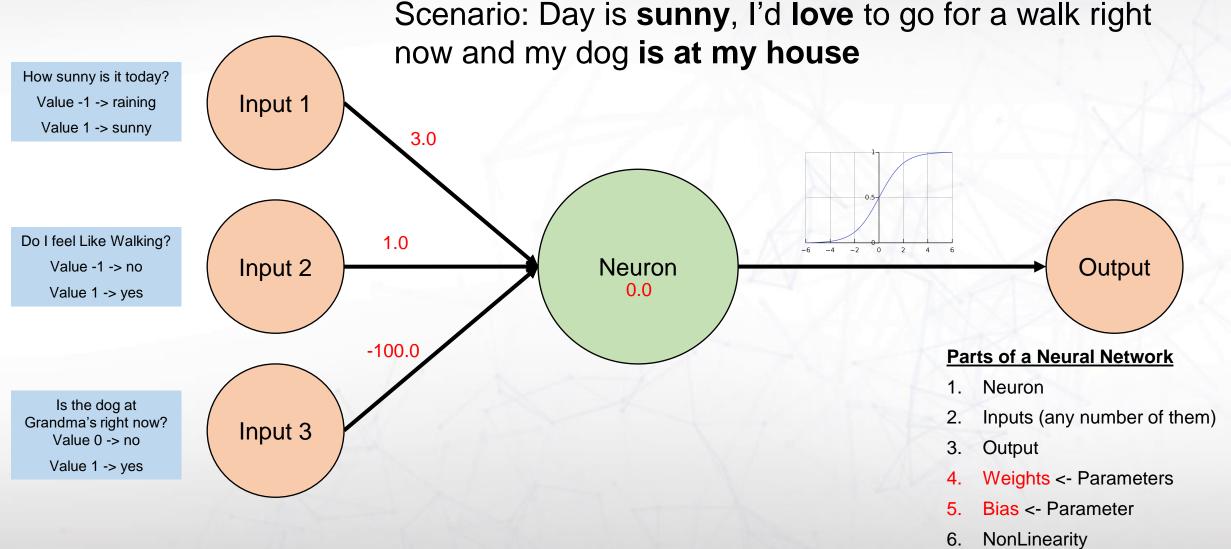
NonLinearity













Scenario: Day is **sunny**, I'd **love** to go for a walk right now and my dog **is at my house**

How sunny is it today?

Value -1 -> raining

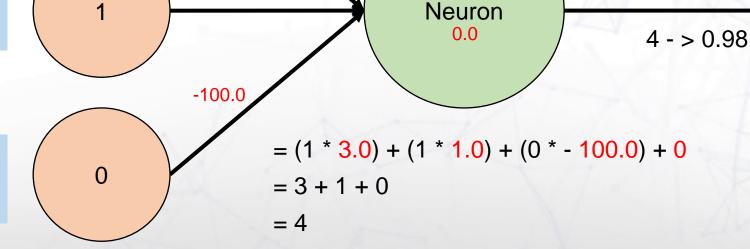
Value 1 -> sunny

Do I feel Like Walking?

Value -1 -> no

Value 1 -> yes

Is the dog at
Grandma's right now?
Value 0 -> no
Value 1 -> yes



3.0

1.0

Parts of a Neural Network

- 1. Neuron
- 2. Inputs (any number of them)

0.98

- 3. Output
- 4. Weights <- Parameters
- 5. Bias <- Parameter
- 6. NonLinearity



Scenario: Day is **normal**, I'd **like** to go for a walk right now and my dog **is at my house**

How sunny is it today?

Value -1 -> raining

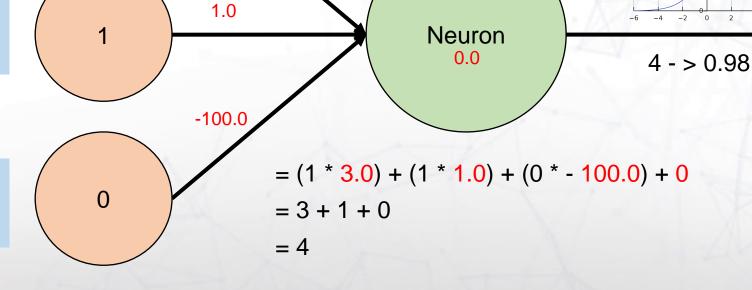
Value 1 -> sunny

Do I feel Like Walking?

Value -1 -> no

Value 1 -> yes

Is the dog at
Grandma's right now?
Value 0 -> no
Value 1 -> yes



3.0

Parts of a Neural Network

- 1. Neuron
- 2. Inputs (any number of them)

0.98

- 3. Output
- 4. Weights <- Parameters
- 5. Bias <- Parameter
- 6. NonLinearity

0

0.5

3.0

1.0



Scenario: Day is **normal**, I'd **like** to go for a walk right now and my dog **is at my house**

How sunny is it today?

Value -1 -> raining

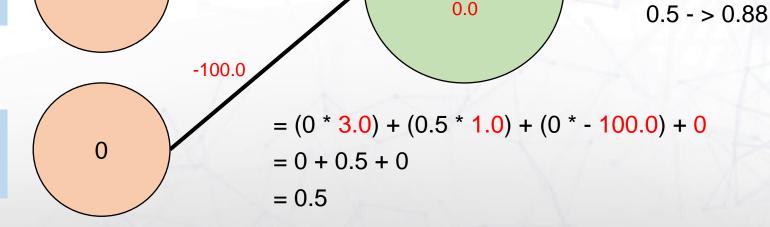
Value 1 -> sunny

Do I feel Like Walking?

Value -1 -> no

Value 1 -> yes

Is the dog at
Grandma's right now?
Value 0 -> no
Value 1 -> yes



Parts of a Neural Network

- 1. Neuron
- 2. Inputs (any number of them)

0.88

- 3. Output
- 4. Weights <- Parameters
- 5. Bias <- Parameter
- 6. NonLinearity

Remember: Parameters are just numbers

Neuron



Scenario: Day is **sunny**, I'd **love** to go for a walk right now and my dog **is at Grandma's house**

How sunny is it today?

Value -1 -> raining

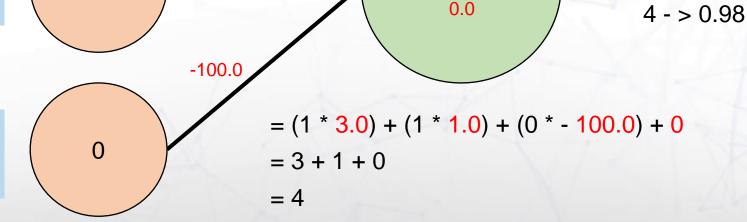
Value 1 -> sunny

Do I feel Like Walking? Value -1 -> no

Value 1 -> yes

Is the dog at
Grandma's right now?
Value 0 -> no

Value 1 -> yes



3.0

1.0

Parts of a Neural Network

- 1. Neuron
- 2. Inputs (any number of them)

0.98

- 3. Output
- 4. Weights <- Parameters
- 5. Bias <- Parameter
- 6. NonLinearity

Remember: Parameters are just numbers

Neuron

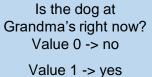


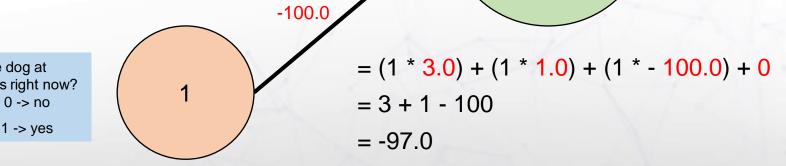
Scenario: Day is **sunny**, I'd **love** to go for a walk right now and my dog is at Grandma's house How sunny is it today?

Value -1 -> raining Value 1 -> sunny

Do I feel Like Walking? Value -1 -> no

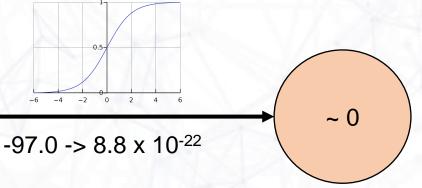
Value 1 -> yes





3.0

1.0



Parts of a Neural Network

- Neuron
- Inputs (any number of them)
- Output
- Weights <- Parameters
- Bias <- Parameter
- **NonLinearity**

Remember: Parameters are just numbers

Neuron

0.0

Takeaways:

Even though this neural network was small it was able to pick up on truths about human life

- If your dog is not at house it is nearly impossible for you to walk it. The model will predict 0 every time.
- 2. The day being sunny is a strong indicator that you take your dog for a walk
- 3. The fact that you want to walk is a factor to determining if you will walk your dog but it is not as strong as other factors







How sunny is it today?

Value -1 -> raining

Value 1 -> sunny

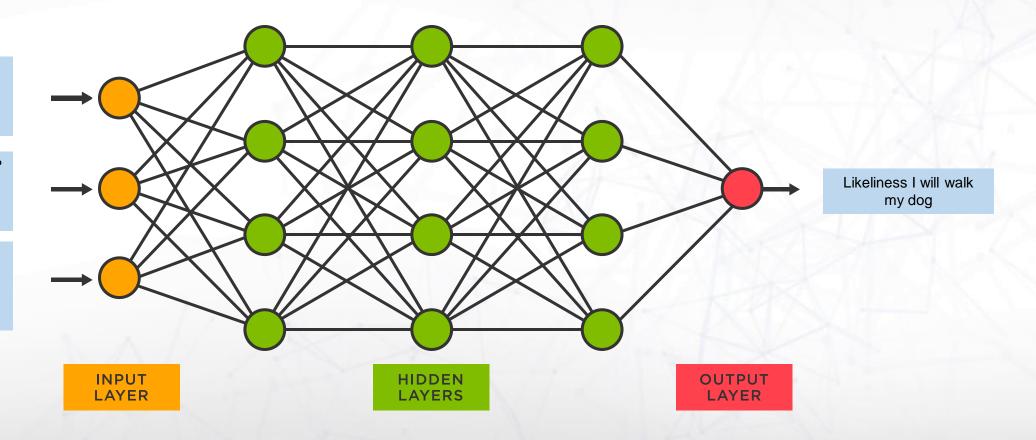
Do I feel Like Walking?

Value -1 -> no

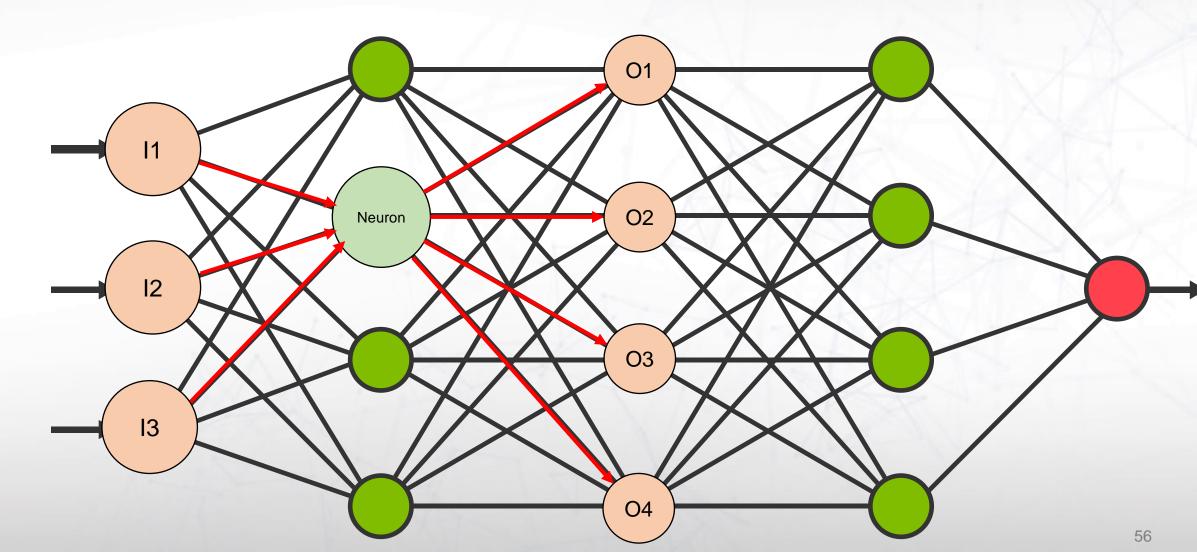
Value 1 -> yes

Is the dog at
Grandma's right now?
Value 0 -> no

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How sunny is it today?

Value -1 -> raining

Value 1 -> sunny

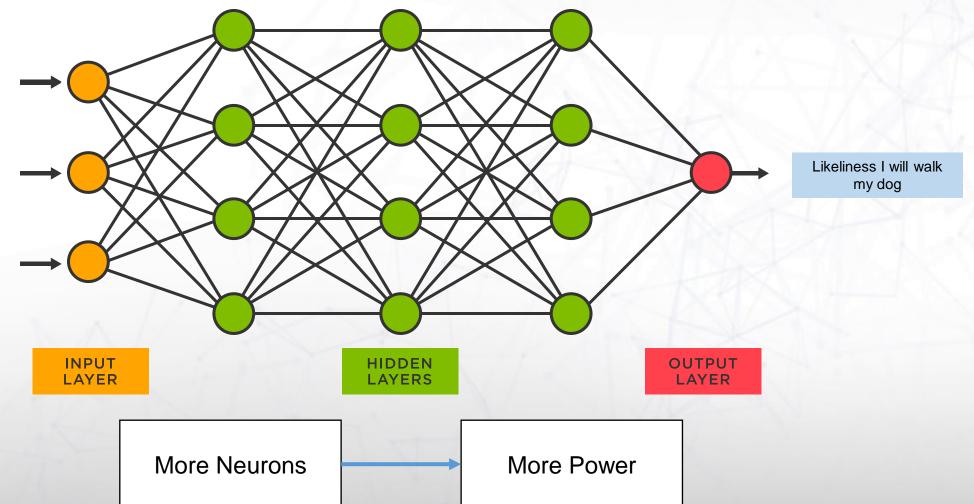
Do I feel Like Walking?

Value -1 -> no

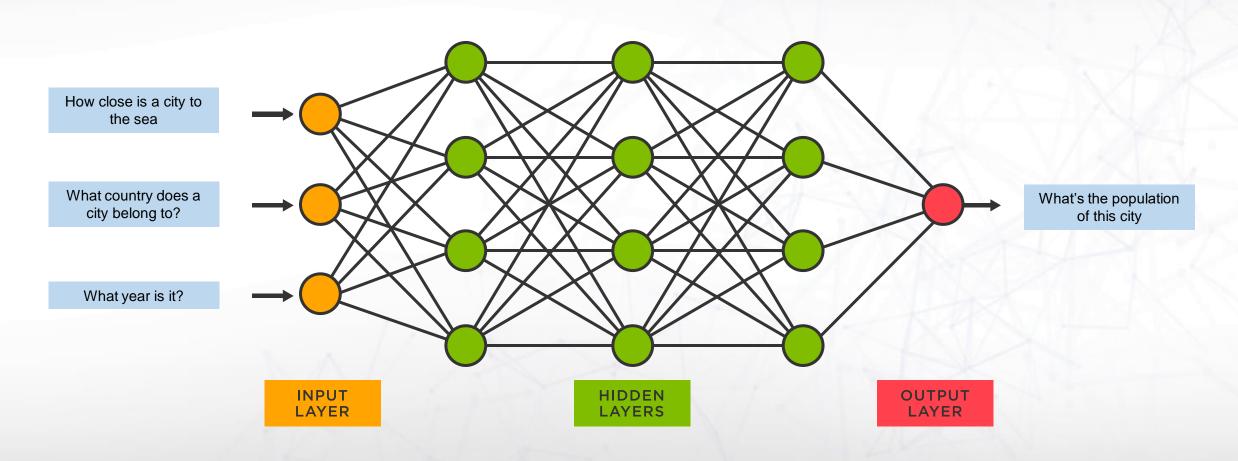
Value 1 -> yes

Is the dog at Grandma's right now? Value 0 -> no

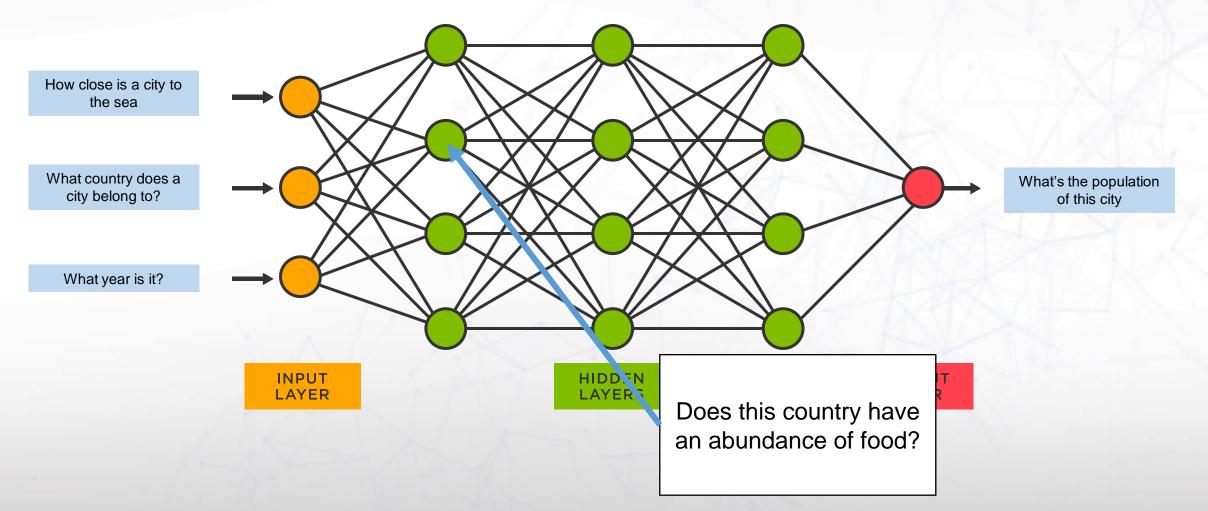
Value 1 -> yes



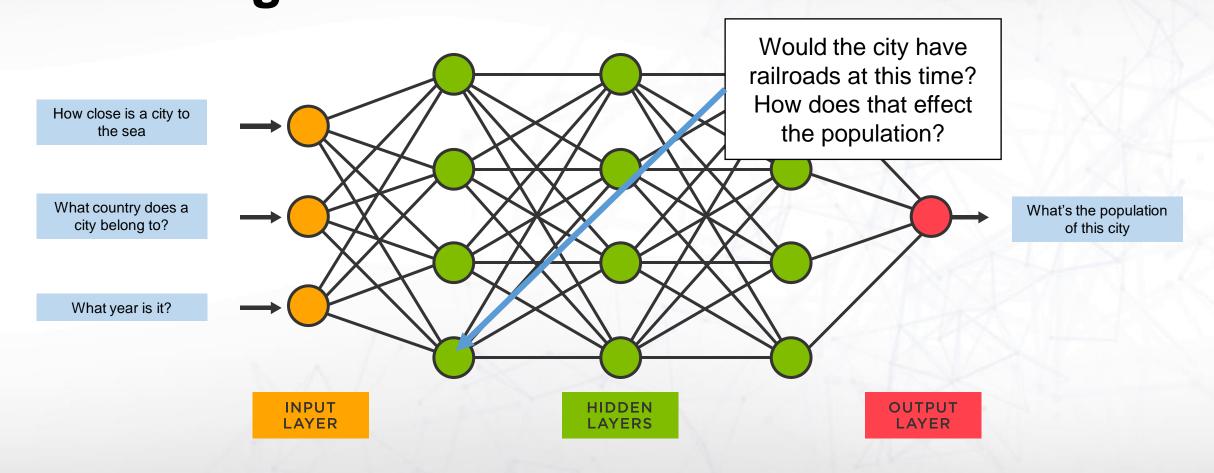




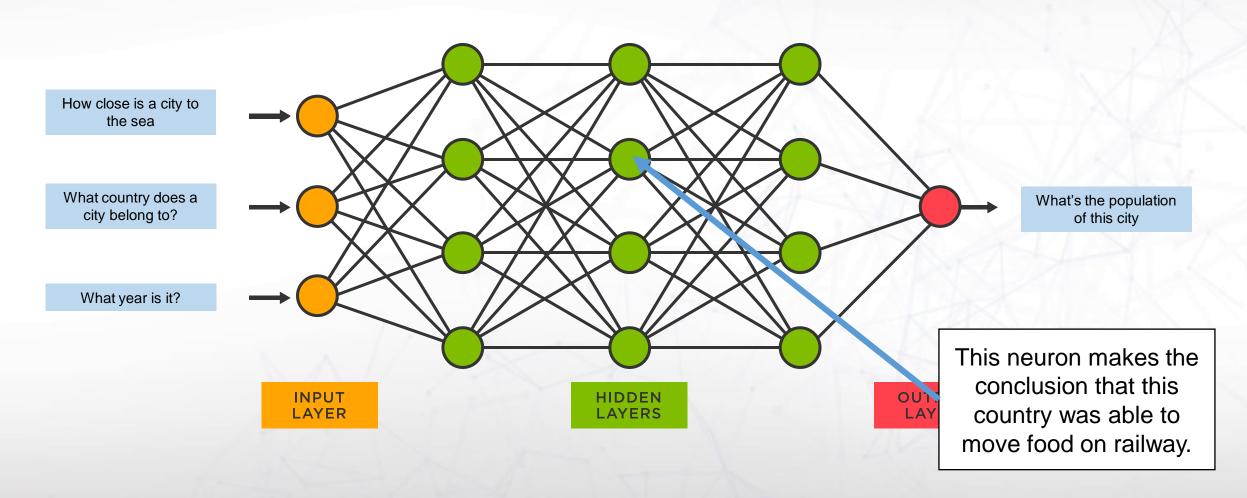




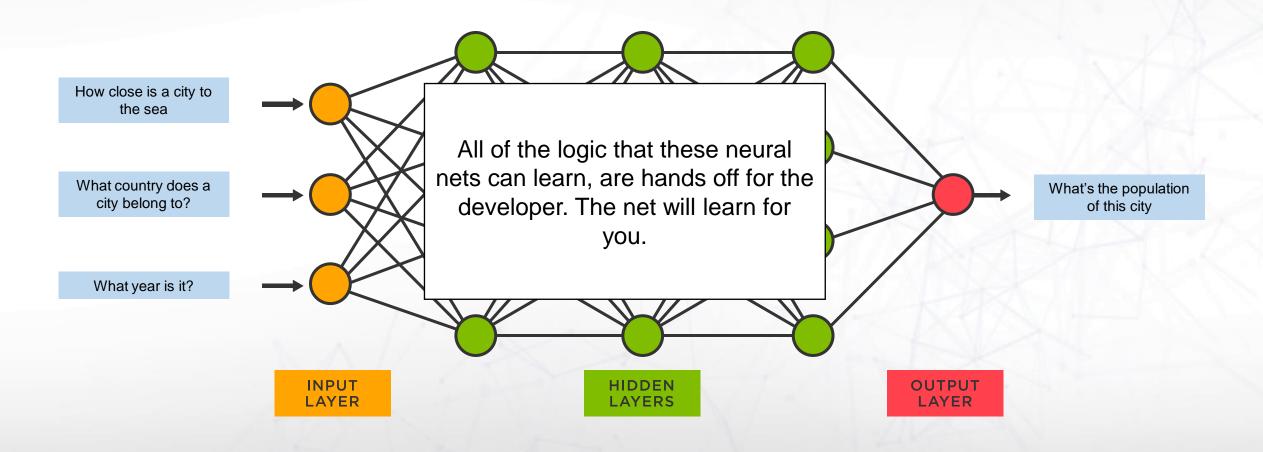














Training Neural Networks



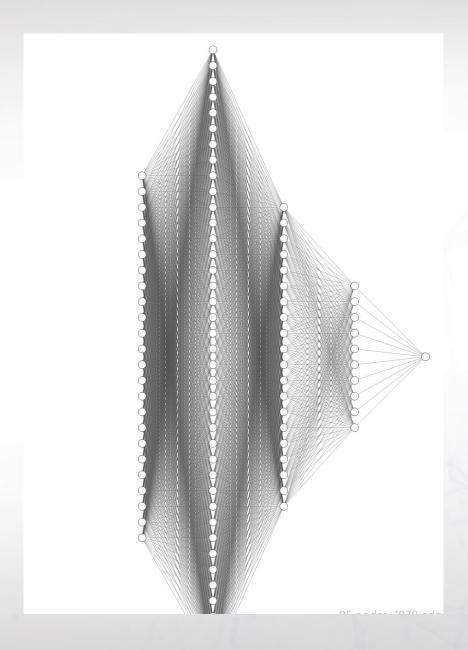
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				•••	•••



	Price	Carat	D	Е	F	G	н		J	FL	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	Cushion	Emerald	Heart	Oval	Pear	Princess	Radiant	Round
0	0.007913461796532396	0.05730129390018485	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	1	0	0	0	0	0	0	0
1	0.03399082776760116	0.05730129390018485	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0
10	0.05339124909704686	0.05730129390018485	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0
100	0.19117304805782878	0.1515711645101664	0	0	1	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0
1000	0.18872036940097583	0.11275415896487989	0	1	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0
1001	0.16070730422465399	0.11275415896487989	0	0	1	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	0	0
1002	0.13484110407479374	0.11275415896487989	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	0
1003	0.15651729968338313	0.11275415896487989	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	0
1004	0.18236210618944565	0.11645101663585952	0	0	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	1	0	0	0
1005	0.189282574308784	0.12014787430683918	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0

Target

24 x Features





Our Model:

Activation Layer: 24 nodes

Hidden Layer 1: 40 nodes

Hidden Layer 2: 20 nodes

Hidden Layer 3: 10 nodes

Output Layer: 1 node

The 3 Tenets of Deep Learning:



Dataset:

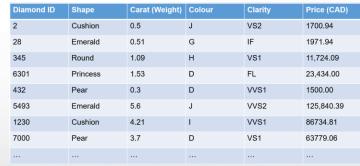
 A set of data that has information that we can use to teach the model how to preform better.

Model:

- Mathematical function (equation) that takes an input and creates a desired output. It is defined by its parameters, which are numbers we train/change to get a desired result.

Loss:

- A mathematical equation to measure how well/poorly your model is doing at completing a task.





The 3 Tenets of Deep Learning:



Dataset:

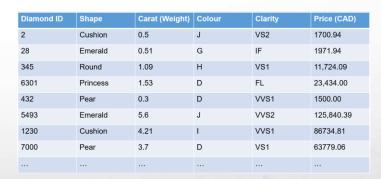
 A set of data that has information that we can use to teach the model how to preform better.

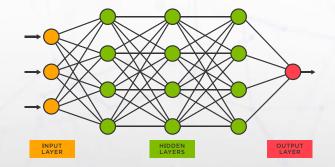
Model:

- Mathematical function (equation) that takes an input and creates a desired output. It is defined by its parameters, which are numbers we train/change to get a desired result.

Loss:

- A mathematical equation to measure how well/poorly your model is doing at completing a task.

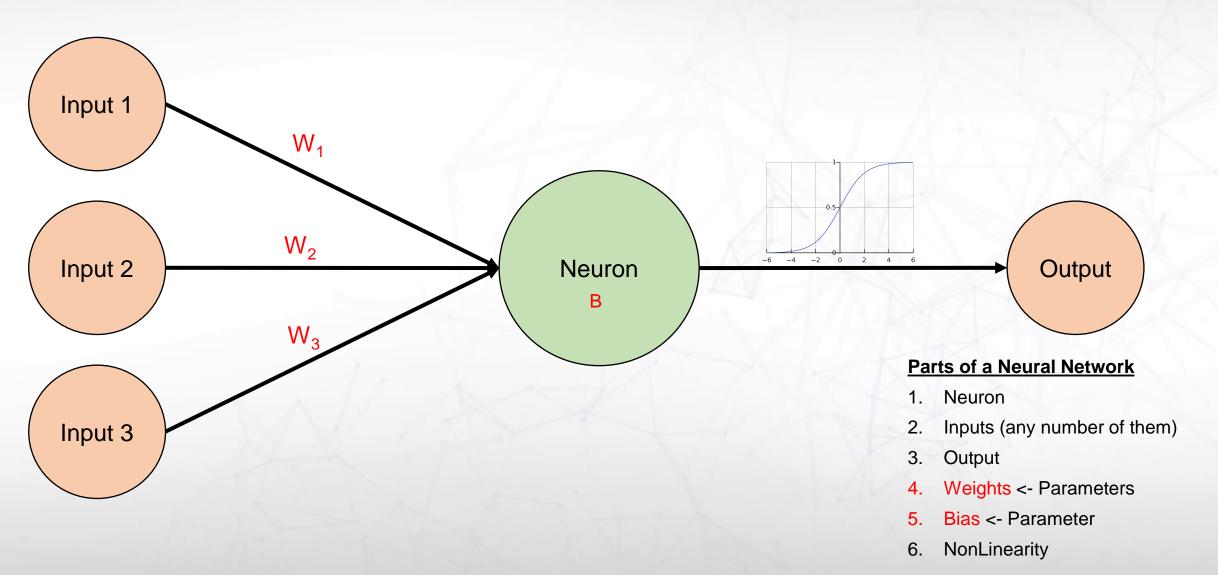




Parameters: All of the weights and biases in the NN







The 3 Tenets of Deep Learning:



Dataset:

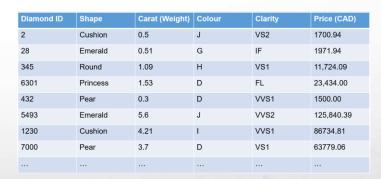
- A set of data that has information that we can use to teach the model how to preform better.

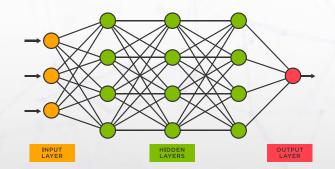
Model:

- Mathematical function (equation) that takes an input and creates a desired output. It is defined by its parameters, which are numbers we train/change to get a desired result.

Loss:

- A mathematical equation to measure how well/poorly your model is doing at completing a task.





Parameters: All of the weights and biases in the NN



The 3 Tenets of Deep Learning:



Dataset:

 A set of data that has information that we can use to teach the model how to preform better.

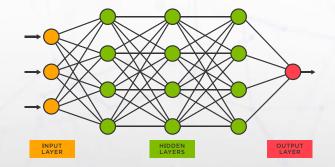
Model:

- Mathematical function (equation) that takes an input and creates a desired output. It is defined by its parameters, which are numbers we train/change to get a desired result.

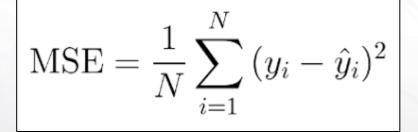
Loss:

- A mathematical equation to measure how well/poorly your model is doing at completing a task.

Diamond ID	Shape	Carat (Weight)	Colour	Clarity	Price (CAD)				
2	Cushion	0.5	J	VS2	1700.94				
28	Emerald	0.51	G	IF	1971.94				
345	Round	1.09	Н	VS1	11,724.09				
6301	Princess	1.53	D	FL	23,434.00				
432	Pear	0.3	D	VVS1	1500.00				
5493	Emerald	5.6	J	VVS2	125,840.39				
1230	Cushion	4.21	I	VVS1	86734.81				
7000	Pear	3.7	D	VS1	63779.06				



Parameters: All of the weights and biases in the NN





The Deep Learning Flow:



- 1. Initialize your model. Randomly assign your parameters a value.
- 2. Grab a single entry from the dataset. An input and the ground truth associated with that input.
- 3. Take that input and put it through the model and save the result.
- 4. Use the loss function to measure how different the result is from the ground truth.
- 5. Give the OPTIMIZER, it will then measure how it needs to change the parameters (numbers we change to get a desired result).
- 6. Repeat steps 2-5 many many times, until the model can perform the task you are asking it to do





Dataset:

Price of Diamond	Input Features
0.18	(24) ₁
0.52	$(24)_2$
1.00	$(24)_3$
0.00	$(24)_4$
0.35	(24) ₅



Dataset:

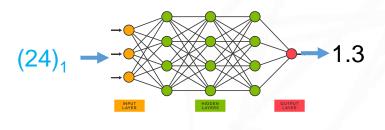
Price of Diamond	Input Features
0.18	(24) ₁
0.52	(24) ₂
1.00	$(24)_3$
0.00	(24) ₄
0.35	(24) ₅



Dataset:

Price of Diamond	Input Features
0.18	(24) ₁
0.52	(24) ₂
1.00	$(24)_3$
0.00	(24) ₄
0.35	(24) ₅

Model:

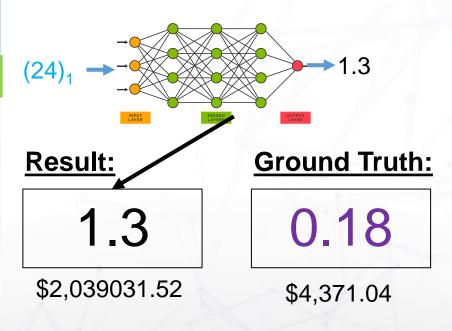




Dataset:

Price of Diamond	Input Features
0.18	(24) ₁
0.52	(24) ₂
1.00	$(24)_3$
0.00	(24) ₄
0.35	(24) ₅

Model:

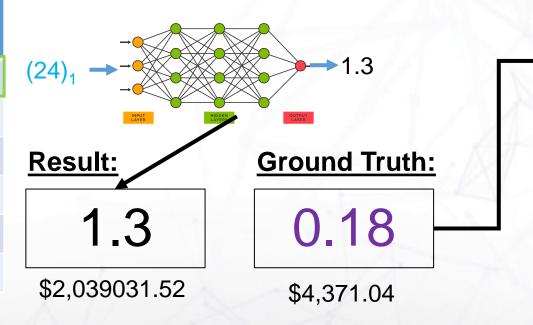




Dataset:

Price of Diamond	Input Features
0.18	(24) ₁
0.52	(24) ₂
1.00	$(24)_3$
0.00	(24) ₄
0.35	(24) ₅

Model:



Loss Function (measure of model success):

L = (Result – Ground Truth)²
L =
$$(1.3 - 0.18)^2$$

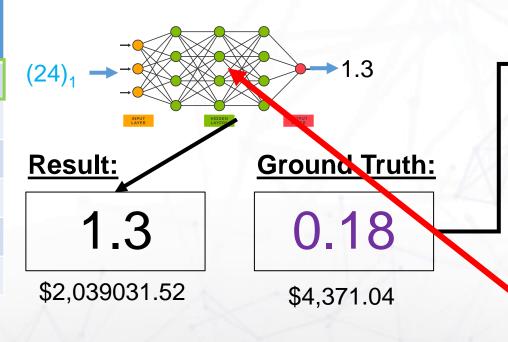
L = 1.254



Dataset:

Price of Diamond	Input Features
0.18	(24) ₁
0.52	(24) ₂
1.00	$(24)_3$
0.00	$(24)_4$
0.35	(24) ₅

Model:



Loss Function (measure of model success):

 $L = (Result - Ground Truth)^2$

 $L = (1.3 - 0.18)^2$

L = 1.254

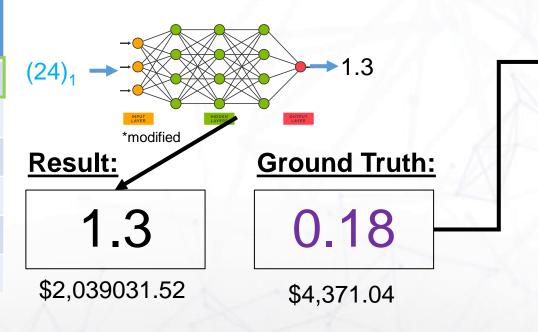
OPTIMIZER:



Dataset:

Price of Diamond	Input Features
0.18	(24) ₁
0.52	(24) ₂
1.00	$(24)_3$
0.00	$(24)_4$
0.35	(24) ₅

Model:



Loss Function (measure of model success):

L = $(Result - Ground Truth)^2$ L = $(1.3 - 0.18)^2$ L = 1.254

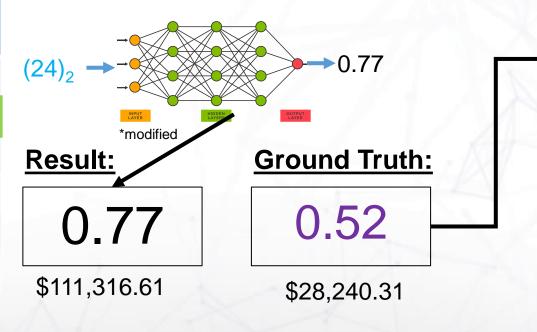
OPTIMIZER:



Dataset:

Price of Diamond	Input Features
0.18	(24) ₁
0.52	(24) ₂
1.00	$(24)_3$
0.00	(24) ₄
0.35	(24) ₅

Model:



Loss Function (measure of model success):

L = $(Result - Ground Truth)^2$ L = $(0.77 - 0.52)^2$

L = 0.0625

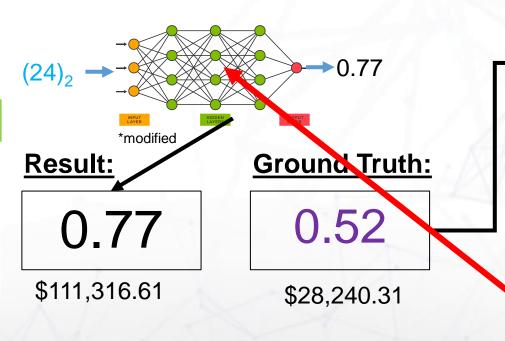
OPTIMIZER:



Dataset:

Price of Diamond	Input Features
0.18	(24) ₁
0.52	(24) ₂
1.00	$(24)_3$
0.00	(24) ₄
0.35	(24) ₅

Model:



Loss Function (measure of model success):

$$L = (Result - Ground Truth)^2$$

$$L = (0.77 - 0.52)^2$$

$$L = 0.0625$$

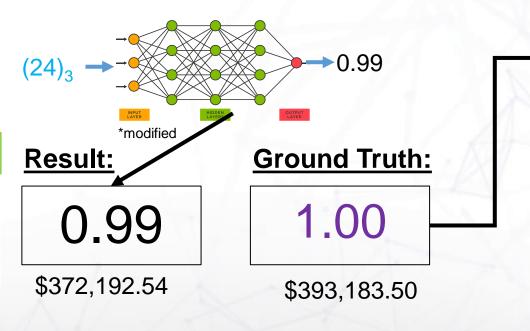
OPTIMIZER:



Dataset:

Price of Diamond	Input Features
0.18	(24) ₁
0.52	(24) ₂
1.00	(24) ₃
0.00	(24) ₄
0.35	(24) ₅

Model:



Loss Function (measure of model success):

L = $(Result - Ground Truth)^2$ L = $(0.99 - 1.00)^2$

L = 0.0001

OPTIMIZER:

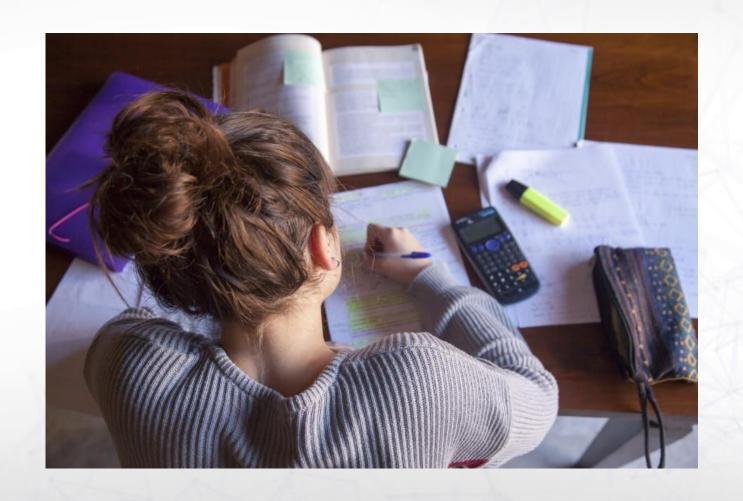


Training and Testing



How do we know our model is doing a good job at performing the task we are asking it to do?







All of the questions on the exam

All of the questions in the textbook

Questions your teacher created specifically for the exam



All of the questions on the exam

All of the questions in the textbook

Training Set

Questions your teacher created specifically for the exam



All of the questions on the exam

All of the questions in the textbook

Training Set

Questions your teacher created specifically for the exam

Test Set



All of the

What if you are only good at answering textbook questions? But when new forms of questions appear on the exam, you are unable to solve them?

ions your er created specifically for the exam

Test Set

Training Set

textbook



All of the questions on the exam

All of the questions in the textbook

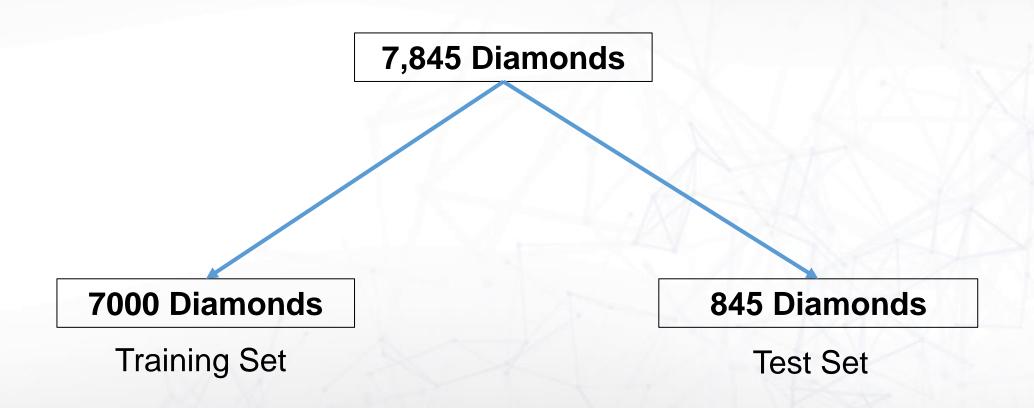
Training Set

Questions your teacher created specifically for the exam

Test Set

How our model studies for a test





How our model studies for a test



If our model is able to correctly predict prices of diamonds in the test set, it is a strong indicator that our model has learned the features that effect diamond prices (good). Instead of memorizing and copying the textbook (bad)

nds

these 845 never before seen diamonds

We trai

7000

these 7000 diamonds

How our model studies for a test



