

1. Describe a real research scenario where decision trees would be more effective than linear models.
2. Consider the case where you want to model how income ( $X_{\text{income}}$ , in dollars per year) and social isolation index ( $X_{\text{SI}}$ , continuous scale from 0 to 1) predict a continuous measure of stress ( $Y$ ). Interpret, in colloquial terms, the results of the following two models:
  - a. Using a decision tree to model the relationship  $Y \sim X_{\text{income}} + X_{\text{SI}}$  you can reliably predict  $Y$ , in a hold out test set, using a tree with three regions (R1:  $X_{\text{income}} > \$75,000$ ; R2:  $X_{\text{income}} < \$75,000 \ \& \ X_{\text{SI}} \geq 0.75$ ; R3:  $X_{\text{income}} < \$75,000 \ \& \ X_{\text{SI}} < 0.75$ ).
  - b. Using linear regression  $Y \sim \hat{\beta}_{\text{income}} X_{\text{income}} + \hat{\beta}_{\text{SI}} X_{\text{SI}} + \hat{\beta}_{\text{intx}} X_{\text{income}} * X_{\text{SI}}$  you can reliably predict  $Y$ , in a hold out test set, with  $\hat{\beta}_{\text{income}} = -0.01$ ,  $\hat{\beta}_{\text{SI}} = +0.25$ , and  $\hat{\beta}_{\text{intx}} = -0.05$ .