# Project-1

Aim : Property Price Prediction using Linear Regression

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**Linear Regression:** Linear regression is used to predict the value of an outcome variable Y based on one or more input predictor variables X. The aim is to establish a linear relationship (a mathematical formula) between the predictor variable(s) and the response variable, so that, we can use this formula to estimate the value of the response Y, when only the predictors (Xs) values are known.

The aim of linear regression is to model a continuous variable Y as a mathematical function of one or more X variable(s), so that we can use this regression model to predict the Y when only the X is known. This mathematical equation can be generalized as follows:

$$Y = \beta_1 + \beta_2 X + \epsilon$$

where,  $\beta_1$  is the intercept and  $\beta_2$  is the slope. Collectively, they are called *regression* coefficients.  $\epsilon$  is the error term, the part of Y the regression model is unable to explain.

## **R-script for Case Study**

Case Study: Boston Dataset

- 1)For this analysis, we will use the *Boston* dataset that comes with R by default. Boston is a standard built-in dataset, that makes it convenient to demonstrate linear regression in a simple and easy to understand fashion. We can access this dataset simply by calling MASS library and then importing Boston day in R console.
- 2) You will find that it consists of 506 observations(rows) and 14 variables (columns). Lets print out the first six observations here.

#### head(d b)

```
> head(d b) ## Displays Ist 6 Observations (6)###
  crim zn indus chas nox rm age dis rad tax
                                                  ptratio
1 0.00632 18 2.31 0 0.538 6.575 65.2 4.0900 1 296
                                                    15.3
2 0.02731 0 7.07 0 0.469 6.421 78.9 4.9671 2 242
                                                    17.8
3 0.02729 0 7.07 0 0.469 7.185 61.1 4.9671 2 242
                                                    17.8
4 0.03237 0 2.18 0 0.458 6.998 45.8 6.0622 3 222
                                                    18.7
5 0.06905 0 2.18 0 0.458 7.147 54.2 6.0622 3 222
                                                    18.7
6 0.02985 0 2.18 0 0.458 6.430 58.7 6.0622 3 222
                                                    18.7
 black lstat medv
1 396.90 4.98 24.0
2 396.90 9.14 21.6
3 392.83 4.03 34.7
4 394.63 2.94 33.4
5 396.90 5.33 36.2
6 394.12 5.21 28.7
```

#### 3) Graphical Analysis

>

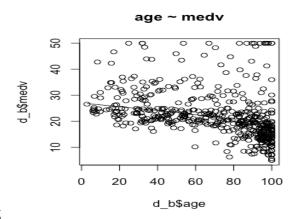
- 1. **Scatter plot**: Visualize the **linear relationship** between the predictor and response
- 2. **Box plot**: To spot any outlier observations in the variable. Having outliers in your predictor can drastically affect the predictions as they can easily affect the direction/slope of the line of best fit.

3. **Density plot**: To see the distribution of the predictor variable. Ideally, a close to **normal distribution** (a bell shaped curve), without being skewed to the left or right is preferred. Let us see how to make each one of them.

#### **Scatter Plot**

Scatter plots can help visualize any linear relationships between the dependent (response) variable and independent (predictor) variables. Ideally, if you are having multiple predictor variables, a scatter plot is drawn for each one of them against the response, along with the line of best as seen below.

>scatter.smooth(x=d b\$age, y=d b\$medv, main="age ~ medv") # scatterplot



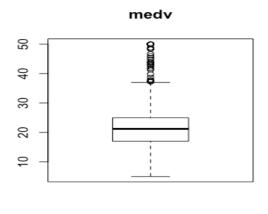
The scatter plot along

with the smoothing line

above suggests a linearly increasing relationship between the 'age of property' and 'price (medv)' variables. This is a good thing, because, one of the underlying assumptions in linear regression is that the relationship between the response and predictor variables is linear and additive.

#### **BoxPlot – Check for outliers**

Generally, any datapoint that lies outside the 1.5 \* interquartile-range (1.5 \* IQR) is considered an outlier, where, IQR is calculated as the distance between the 25th percentile and 75th percentile values for that variable.



outliers

#### Correlation

Correlation is a statistical measure that suggests the level of linear dependence between two variables, that occur in pair – just like what we have here in **age and medv**. Correlation can take values between -1 to +1. If we observe for every instance where speed increases, the distance also increases along with it, then there is a high positive correlation between them and therefore the correlation between them will be closer to 1. The opposite is true for an inverse relationship, in which case, the correlation between the variables will be close to -1.

A value closer to 0 suggests a weak relationship between the variables. A low correlation (-0.2 < x < 0.2) probably suggests that much of variation of the response variable (Y) is unexplained by the predictor (X), in which case, we should probably look for better explanatory variables.

#### **Build Linear Model**

Now that we have seen the linear relationship pictorially in the scatter plot and by computing the correlation, lets see the syntax for building the linear model. The function used for building linear models is lm(). The lm() function takes in two main arguments, namely: 1. Formula 2. Data. The data is typically a data frame and the formula is a object of class formula. But the most common convention is to write out the formula directly in place of the argument as written below.

>linearMod = lm(age ~ medv, data=d\_b) # build linear regression model on full data > print(linearMod) Call:

 $lm(formula = age \sim medv, data = d_b)$ 

Coefficients:

(Intercept) medv

94.571 -1.154

Now that we have built the linear model, we also have established the relationship between the predictor and response in the form of a mathematical formula for Distance (dist) as a function for speed. For the above output, you can notice the 'Coefficients' part having two components: *Intercept*: 94.571, *medv*: -1.154 These are also called the beta coefficients. In other words,

$$medv = 94.571 + (-1.154) *age$$

#### **Linear Regression Diagnostics**

summary(linearMod)

Call:

 $lm(formula = age \sim medv, data = d b)$ 

Residuals:

Min 1Q Median 3Q Max -61.37 -21.37 7.31 18.94 63.11

Coefficients:

Estimate Std. Error t value Pr(>|t|)

(Intercept) 94.5713 3.0728 30.777 <2e-16 \*\*\*

medv -1.1537 0.1263 -9.137 <2e-16 \*\*\*

---

Signif. codes: 0 '\*\*\*' 0.001 '\*\*' 0.01 '\*' 0.05 '.' 0.1 ' ' 1

Residual standard error: 26.1 on 504 degrees of freedom

Multiple R-squared: 0.1421, Adjusted R-squared: 0.1404

F-statistic: 83.48 on 1 and 504 DF, p-value: < 2.2e-16

#### The p Value: Checking for statistical significance

The summary statistics above tells us a number of things. One of them is the model p-Value (bottom last line) and the p-Value of individual predictor variables (extreme right column under 'Coefficients'). The p-Values are very important because, We can consider a linear model to be statistically significant only when both these p-Values are less that the pre-determined statistical significance level, which is ideally **0.05**. This is visually interpreted by the significance stars at the end of the row. The more the stars beside the variable's p-Value, the more significant the variable.

#### Null and alternate hypothesis

When there is a p-value, there is a hull and alternative hypothesis associated with it. In Linear Regression, the Null Hypothesis is that the coefficients associated with the variables is equal to zero. The alternate hypothesis is that the coefficients are not equal to zero (i.e. there exists a relationship between the independent variable in question and the dependent variable).

#### t-value

We can interpret the t-value something like this. A larger *t-value* indicates that it is less likely that the coefficient is not equal to zero purely by chance. So, higher the t-value, the better. Pr(>|t|) or *p-value* is the probability that you get a t-value as high or higher than the observed value when the Null Hypothesis (the  $\beta$  coefficient is equal to zero or that there is no relationship) is true. So if the Pr(>|t|) is low, the coefficients are significant (significantly different from zero). If the Pr(>|t|) is high, the coefficients are not significant.

when p Value is less than significance level (< 0.05), we can safely reject the null hypothesis that the co-efficient  $\beta$  of the predictor is zero. In our case, linearMod, both these p-Values are well below the 0.05 threshold, so we can conclude our model is indeed statistically significant. It is absolutely important for the model to be statistically significant before we can go ahead and use it to predict (or estimate) the dependent variable, otherwise, the confidence in predicted values from that model reduces and may be construed as an event of chance.

#### Calculation of the t Statistic and p-Values?

Capture summary model as an object and then calculate model coefficients from that. When the model co-efficients and standard error are known, the formula for calculating t Statistic and p-Value is as follows

#### t-Statistic=β-coefficient/Std.Error

```
modelSummary =summary(linearMod) # capture model summary as an object
> modelCoeffs <- modelSummary$coefficients # model coefficients
> modelCoeffs
       Estimate
                     Std. Error
                                   t value
                                                    Pr(>|t|)
(Intercept) 94.571350 3.0727616 30.77731
                                             7.882546e-118
medv
         -1.153716 0.1262741 -9.13660
                                              1.569982e-18
>beta.estimate = modelCoeffs["medv", "Estimate"] # get beta estimate for speed
> beta.estimate
[1] -1.153716
>std.error = modelCoeffs["medv", "Std. Error"] # get std.error for speed
> std.error
[1] 0.1262741
>t value <- beta.estimate/std.error # calc t statistic
> t value
[1] -9.1366
>f = summary(linearMod)$fstatistic # parameters for model p-value calc
> f
  value numdf
                  dendf
83.47746 1.00000 504.00000
> model_p <- pf(f[1], f[2], f[3], lower=FALSE)
> model p
    value
```

T is simply the calculated difference represented in units of standard error. The greater the magnitude of T, the greater the evidence against the null hypothesis. T and P values are interlinked and they go hand in hand.

Many other parameters are also important while analyzing structure of data, finding missing values if any in data set. Replacing them..

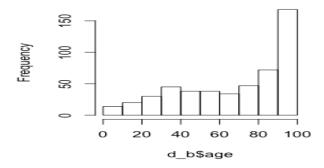
#### #### Find Structure of the data ####

### > str(d b)

```
'data.frame': 506 obs. of 14 variables:
$ crim : num 0.00632 0.02731 0.02729 0.03237 0.06905 ...
$ zn : num 18 0 0 0 0 0 12.5 12.5 12.5 12.5 ...
$ indus: num 2.31 7.07 7.07 2.18 2.18 2.18 7.87 7.87 7.87 7.87 ...
$ chas : int 0000000000 ...
$ nox : num 0.538 0.469 0.469 0.458 0.458 0.458 0.524 0.524 0.524 0.524 ...
$ rm
       : num 6.58 6.42 7.18 7 7.15 ...
$ age: num 65.2 78.9 61.1 45.8 54.2 58.7 66.6 96.1 100 85.9 ...
$ dis : num 4.09 4.97 4.97 6.06 6.06 ...
$ rad : int 1 2 2 3 3 3 5 5 5 5 ...
$ tax : num 296 242 242 222 222 211 311 311 311 ...
$ ptratio: num 15.3 17.8 17.8 18.7 18.7 18.7 15.2 15.2 15.2 15.2 ...
$ black: num 397 397 393 395 397 ...
$ lstat: num 4.98 9.14 4.03 2.94 5.33 ...
$ medv: num 24 21.6 34.7 33.4 36.2 28.7 22.9 27.1 16.5 18.9 ...
> ###Find out Missing Values###
> sum(is.na(d b)) ### Missing Values Calculation ####
[1] 0
```

#### Plotting of Histogram to see the range ### hist(d b\$age,binwidth=10)





The factors like Kurtosis and skewness are calculated, **Skewness** is a measure of symmetry, or more precisely, **the** lack of symmetry. A distribution, or data set, is symmetric if it looks **the** same to **the** left and right of **the**center point. **Kurtosis** is a measure of whether **the** data are heavy-tailed or light-tailed relative to a normal distribution.

```
###### Find Out Kurtosis and Skewness###
library(moments)
```

### Kurtosis###

>skewness(d\_b\$crim)

##5.2076##

>skewness(d b\$medv)

##1.104###

>skewness(d\_b\$lstat)

###.90377###

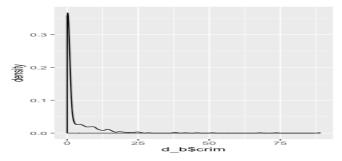
>kurtosis(d b\$crim)

###39.75###

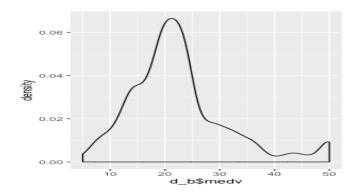
#### Plotting of Crim,medv and lstat###

>library(ggplot2) ## Calling ggplot2 Library for plotting###

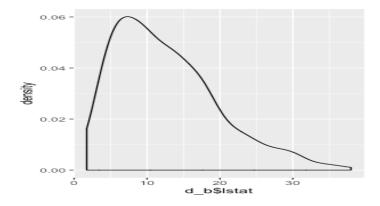
>ggplot(d\_b,aes(x=d\_b\$crim))+geom\_density()



>ggplot(d\_b,aes(x=d\_b\$medv))+geom\_density()



>ggplot(d b,aes(x=d b\$lstat))+geom density()



If data is highly skewed then log transformation is done.

Observe the Crim.. graph..Crim is highally skewed so Log Transformation is done

>d\_log\$crim=log1p(d\_b\$crim)

#### Replace original Crim with log Transformed crim###

 $>d_b$crim=log1p(d_b$crim)$ 

>d\_b\$crim #### New log transformed Crim###

#### ### Statiscal Analysis For Log Transformed Variables:Crim###

kurtosis(d b\$crim)

###3.487747###

skewness(d b\$crim)

## 1.265435###

#### Plotting of handling of variables can be done by Two ways (tapply and grou by)

#### zone and price table by method-1 using group by###

#### >tapply(d b\$zn, d b\$medv, mean)

>tapply(d\_b\$zn, d\_b\$medv, mean)

5 5.6 6.3 7 7.2 7.4 7.5

 $0.000000 \ 0.000000 \ 0.000000 \ 0.000000 \ 0.000000 \ 0.000000$ 

8.1 8.3 8.4 8.5 8.7 8.8 9.5

 $0.000000 \ 0.000000 \ 0.000000 \ 0.000000 \ 0.000000 \ 0.000000$ 

9.6 9.7 10.2 10.4 10.5 10.8 10.9

 $0.000000 \ \ 0.000000 \ \ 0.000000 \ \ 0.000000 \ \ 0.000000 \ \ 0.000000$ 

11 11.3 11.5 11.7 11.8 11.9 12

 $0.000000 \ \ 0.000000 \ \ 0.000000 \ \ 0.000000 \ \ 0.000000 \ \ 0.000000$ 

12.1 12.3 12.5 12.6 12.7 12.8 13

 $0.000000 \ 0.000000 \ 0.000000 \ 0.000000 \ 0.000000 \ 0.000000$ 

13.1 13.2 13.3 13.4 13.5 13.6 13.8

0.000000 0.000000 0.000000 0.000000 0.000000 0.000000 0.000000

13.9 14 14.1 14.2 14.3 14.4 14.5

 $0.000000 \ \ 0.000000 \ \ 0.000000 \ \ 0.000000 \ \ 0.000000 \ \ 0.000000$ 

14.6 14.8 14.9 15 15.1 15.2 15.3

 $0.000000 \ 0.000000 \ 0.000000 \ 4.166667 \ 0.000000 \ 0.000000 \ 0.000000$ 

15.4 15.6 15.7 16 16.1 16.2 16.3

 $0.000000 \ \ 0.000000 \ \ 0.000000 \ \ 25.000000 \ \ 0.000000 \ \ 0.000000 \ \ 0.000000$ 

16.4 16.5 16.6 16.7 16.8 17 17.1

17.2 17.3 17.4 17.5 17.6 17.7 17.8

```
0.000000 \ 0.000000 \ 4.166667 \ 0.000000 \ 22.000000 \ 0.000000 \ 0.000000
   17.9
                  18.1
                          18.2
                                  18.3
                                         18.4
            18
                                                 18.5
0.000000 \ 0.000000 \ 0.000000 \ 26.666667 \ 0.000000 \ 0.000000 \ 5.500000
   18.6
           18.7
                  18.8
                          18.9
                                   19
                                         19.1
                                                 19.2
30.000000 8.333333 0.000000 25.000000 0.000000 0.000000 0.000000
   19.3
           19.4
                  19.5
                          19.6
                                  19.7
                                          19.8
                                                  19.9
0.000000 \ 19.166667 \ 0.000000 \ 5.000000 \ 10.500000 \ 0.000000 \ 0.000000
    20
          20.1
                  20.2
                         20.3
                                 20.4
                                         20.5
                                                 20.6
0.000000 \ 22.000000 \ 0.000000 \ 0.000000 \ 0.000000 \ 14.333333 \ 18.000000
   20.7
          20.8
                  20.9
                                 21.1
                           21
                                         21.2
                                                 21.4
10.000000 \ 0.000000 \ 46.250000 \ 0.000000 \ 10.000000 \ 0.000000 \ 0.000000
                                           22
   21.5
          21.6
                  21.7
                          21.8
                                  21.9
                                                 22 1
0.000000 \ 0.000000 \ 1.785714 \ 0.000000 \ 26.666667 \ 18.785714 \ 0.000000
   22 2
                                          22 7
          22 3
                  22 4
                          22.5
                                  22 6
                                                  228
11.000000 26.250000 0.000000 23.333333 0.000000 0.000000 5.000000
   22.9
            23
                  23.1
                         23.2
                                 23.3
                                         23.4
                                                 23.5
26.375000 0.000000 12.142857 13.125000 13.750000 10.500000 80.000000
   23.6
          23.7
                  23.8
                          23.9
                                   24
                                         24.1
                                                 24.2
0.000000 \ 15.000000 \ 0.000000 \ 16.000000 \ 9.000000 \ 47.500000 \ 0.000000
   24 3
          24.4
                  24.5
                          24.6
                                  24.7
                                          24.8
                                                   25
7.333333 10.500000 34.000000 0.000000 28.333333 42.375000 9.250000
   25.1
           25.2
                  25.3
                          26.2
                                  26.4
                                          26.5
                                                  26.6
0.000000\ 20.000000\ 0.000000\ 22.000000\ 17.000000\ 0.000000\ 13.333333
   26.7
            27
                  27.1
                         27.5
                                 27.9
                                          28
                                                 28.1
0.000000 \ 0.000000 \ 6.250000 \ 0.000000 \ 40.000000 \ 25.000000 \ 0.000000
   28.2
                  28.5
           28.4
                          28.6
                                  28.7
                                           29
                                                 29.1
33.000000 16.500000 80.000000 0.000000 0.000000 35.000000 50.000000
   29.4
          29.6
                  29.8
                          29.9
                                  30.1
                                          30.3
                                                  30.5
0.000000 11.000000 22.500000 0.000000 36.666667 80.000000 45.000000
   30.7
           30.8
                    31
                          31.1
                                 31.2
                                         31.5
                                                 31.6
20.000000 75.000000 20.000000 60.000000 55.000000 0.000000 50.000000
```

```
31.7
          32
                32.2
                       32.4
                              32.5
                                     32.7
                                            32.9
33
         33.1
                33.2
                       33.3
                              33.4
                                     33.8
                                            34.6
17.500000\ 37.000000\ 20.000000\ 80.000000\ 16.500000\ 20.000000\ 80.000000
                       35.2
  34.7
         34.9
                35.1
                               35.4
                                       36
                                            36.1
0.000000\ 71.666667\ 20.000000\ 20.000000\ 55.000000\ 20.000000\ 33.000000
  36.2
         36.4
                36.5
                        37
                                     37.3
                              37.2
                                            37.6
0.000000\ 45.000000\ 20.000000\ 45.000000\ 0.000000\ 80.000000\ 0.000000
  37.9
                       41.3
                                     42.3
         38.7
                39.8
                              41.7
                                             42.8
0.000000 \ 0.000000 \ 0.000000 \ 0.000000 \ 0.000000 \ 82.500000 \ 22.000000
  43.1
         43.5
                43.8
                        44
                              44.8
                                     45.4
                                             46
20.000000\ 20.000000\ 0.000000\ 90.000000\ 0.000000\ 20.000000\ 20.000000
  46.7
         48.3
                48.5
                       48.8
                                50
0.000000 0.000000 95.000000 20.000000 19.062500
>
```

#### zone and price table by method-2 which is good for Printing using ### library(dplyr) # loads %>%

d\_b%>% group\_by(zn)%>%summarise(mean(medv))### It will Print Table## # A tibble: 26 x 2

zn 'mean(medv)'

< dbl ><dbl> 1 0 20.5 2 12.5 20.1 3 17.5 33 4 18 24 5 20 35.5 6 21 22.2 7 22 25.3

22.4

22.8

8 25

9 28

# ... with 16 more rows

#### **Part-II: Predicting Linear Models**

So far we have seen how to build a linear regression model using the whole dataset. If we build it that way, there is no way to tell how the model will perform with new data. So the preferred practice is to split your dataset into a 80:20 sample (training:test), then, build the model on the 80% sample and then use the model thus built to predict the dependent variable on test data.

Doing it this way, we will have the model predicted values for the 20% data (test) as well as the actuals (from the original dataset). By calculating accuracy measures (like min\_max accuracy) and error rates (MAPE or MSE), we can find out the prediction accuracy of the model. Now, lets see how to actually do this...

# Step 1: Create the training (development) and test (validation) data samples from original data after sampling

 $>s=sample(nrow(d_b),.80*nrow(d_b))$  ###Sampling###

> s

[1] 390 378 60 186 5 110 43 327 420 241 454 497 4 318 275 348 202 75
[19] 311 330 86 97 15 205 253 180 323 506 352 387 136 158 287 141 233 342
[37] 92 316 57 437 450 403 182 359 483 207 254 391 174 479 426 177 163 463
[55] 201 61 247 428 77 351 462 22 232 473 466 389 32 271 46 248 281 234
[73] 432 381 239 195 246 286 396 152 263 401 65 472 45 357 363 103 382 265
[91] 278 67 27 361 255 106 332 373 135 315 375 78 112 68 364 486 140 62
[109] 309 397 477 170 502 279 146 80 161 166 81 505 325 159 267 55 284 150
[127] 91 298 23 430 371 192 231 297 377 415 372 240 259 449 149 98 301 481
[145] 461 221 28 273 499 331 264 20 175 501 185 53 226 164 94 99 306 353
[163] 245 484 84 335 101 168 41 485 345 42 200 383 44 329 300 13 458 12
[181] 211 31 445 59 237 14 453 76 157 190 117 19 125 395 123 8 296 172
[199] 276 421 134 230 93 496 37 113 269 250 347 120 108 394 460 154 310 48

[217] 442 369 39 102 289 137 302 413 418 322 360 144 105 127 312 474 7 406 [235] 283 362 142 261 277 400 274 337 194 328 242 407 270 282 66 111 452 355 [253] 405 162 131 133 1 356 431 87 6 118 109 122 189 89 419 438 299 199 [271] 334 3 304 398 384 96 197 457 9 51 165 295 260 386 498 343 392 236 [289] 491 11 366 464 196 470 388 338 358 193 107 385 434 262 155 147 321 435 [307] 244 26 143 85 294 139 500 63 459 492 218 34 427 183 412 222 488 121 [325] 47 35 475 425 266 148 16 24 73 433 224 423 493 354 305 198 451 333 [343] 317 495 455 379 487 209 429 404 167 214 219 79 227 169 258 482 344 235 [361] 367 374 417 468 324 243 489 503 341 54 467 138 171 252 49 402 444 132 [379] 210 114 411 272 160 256 184 251 18 446 33 399 25 208 145 52 376 292 [397] 291 124 380 116 346 223 393 439

#### Preapre Training Data Set###

 $> df_tr=d_b[s,]$ 

> df tr

crim zn indus chas nox rm age dis rad tax ptratio black 390 8.15174 0.0 18.10 0 0.7000 5.390 98.9 1.7281 24 666 20.2 396.90 378 9.82349 0.0 18.10 0 0.6710 6.794 98.8 1.3580 24 666 20.2 396.90 60 0.10328 25.0 5.13 0 0.4530 5.927 47.2 6.9320 8 284 19.7 396.90 186 0.06047 0.0 2.46 0 0.4880 6.153 68.8 3.2797 3 193 17.8 387.11 5 0.06905 0.0 2.18 0 0.4580 7.147 54.2 6.0622 3 222 18.7 396.90 110 0.26363 0.0 8.56 0 0.5200 6.229 91.2 2.5451 5 384 20.9 391.23 43 0.14150 0.0 6.91 0 0.4480 6.169 6.6 5.7209 3 233 17.9 383.37 327 0.30347 0.0 7.38 0 0.4930 6.312 28.9 5.4159 5 287 19.6 396.90 420 11.81230 0.0 18.10 0 0.7180 6.824 76.5 1.7940 24 666 20.2 48.45 241 0.11329 30.0 4.93 0 0.4280 6.897 54.3 6.3361 6 300 16.6 391.25 454 8.24809 0.0 18.10 0 0.7130 7.393 99.3 2.4527 24 666 20.2 375.87 497 0.28960 0.0 9.69 0 0.5850 5.390 72.9 2.7986 6 391 19.2 396.90 4 0.03237 0.0 2.18 0 0.4580 6.998 45.8 6.0622 3 222 18.7 394.63 318 0.24522 0.0 9.90 0 0.5440 5.782 71.7 4.0317 4 304 18.4 396.90

```
275 0.05644 40.0 6.41
                       1 0.4470 6.758 32.9 4.0776 4 254
                                                          17.6 396.90
348 0.01870 85.0 4.15
                       0 0.4290 6.516 27.7 8.5353 4 351
                                                          17.9 392.43
202 0.03445 82.5 2.03
                       0 0.4150 6.162 38.4 6.2700 2 348
                                                          14.7 393.77
                       0 0.4370 6.273 6.0 4.2515 5 398
75 0.07896 0.0 12.83
                                                         18.7 394.92
311 2.63548 0.0 9.90
                      0 0.5440 4.973 37.8 2.5194 4 304
                                                          18.4 350.45
330 0.06724 0.0 3.24
                      0 0.4600 6.333 17.2 5.2146 4 430
                                                         16.9 375.21
86 0.05735 0.0 4.49
                      0 0.4490 6.630 56.1 4.4377 3 247
                                                         18.5 392.30
97 0.11504 0.0 2.89
                      0 0.4450 6.163 69.6 3.4952 2 276
                                                         18.0 391.83
                      0 0.5380 6.096 84.5 4.4619 4 307
15 0.63796 0.0 8.14
                                                         21.0 380.02
                       0 0.4161 8.034 31.9 5.1180 4 224
205 0.02009 95.0 2.68
                                                          14.7 390.55
253 0.08221 22.0 5.86
                       0 0.4310 6.957 6.8 8.9067 7 330
                                                         19.1 386.09
180 0.05780 0.0 2.46
                      0 0.4880 6.980 58.4 2.8290 3 193
                                                          17.8 396.90
323 0.35114 0.0 7.38
                      0 0.4930 6.041 49.9 4.7211 5 287
                                                          19.6 396.90
506 0.04741 0.0 11.93
                       0 0.5730 6.030 80.8 2.5050 1 273
                                                          21.0 396.90
                       0 0.4110 6.579 35.9 10.7103 4 411
352 0.07950 60.0 1.69
                                                           18.3 370.78
387 24.39380 0.0 18.10
                       0 0.7000 4.652 100.0 1.4672 24 666
                                                           20.2 396.90
136 0.55778 0.0 21.89
                       0 0.6240 6.335 98.2 2.1107 4 437
                                                          21.2 394.67
158 1.22358 0.0 19.58
                       0 0.6050 6.943 97.4 1.8773 5 403
                                                          14.7 363.43
287 0.01965 80.0 1.76
                       0 0.3850 6.230 31.5 9.0892 1 241
                                                          18.2 341.60
141 0.29090 0.0 21.89
                       0 0.6240 6.174 93.6 1.6119 4 437
                                                          21.2 388.08
233 0.57529 0.0 6.20
                       0 0.5070 8.337 73.3 3.8384 8 307
                                                          17.4 385.91
                       0 0.4420 7.241 49.3 7.0379 1 284
342 0.01301 35.0 1.52
                                                          15.5 394.74
                      0 0.4890 6.405 73.9 3.0921 2 270
92 0.03932 0.0 3.41
                                                         17.8 393.55
316 0.25356 0.0 9.90
                      0 0.5440 5.705 77.7 3.9450 4 304
                                                          18.4 396.42
57 0.02055 85.0 0.74
                      0 0.4100 6.383 35.7 9.1876 2 313
                                                          17.3 396.90
437 14.42080 0.0 18.10 0 0.7400 6.461 93.3 2.0026 24 666
                                                           20.2 27.49
450 7.52601 0.0 18.10
                       0 0.7130 6.417 98.3 2.1850 24 666
                                                           20.2 304.21
403 9.59571 0.0 18.10
                       0 0.6930 6.404 100.0 1.6390 24 666
                                                           20.2 376.11
182 0.06888 0.0 2.46
                      0 0.4880 6.144 62.2 2.5979 3 193
                                                          17.8 396.90
359 5.20177 0.0 18.10
                       1 0.7700 6.127 83.4 2.7227 24 666
                                                           20.2 395.43
483 5.73116 0.0 18.10 0 0.5320 7.061 77.0 3.4106 24 666
                                                           20.2 395.28
```

```
207 0.22969 0.0 10.59 0 0.4890 6.326 52.5 4.3549 4 277 18.6 394.87
254 0.36894 22.0 5.86
                       0 0.4310 8.259 8.4 8.9067 7 330
                                                         19.1 396.90
391 6.96215 0.0 18.10
                      0 0.7000 5.713 97.0 1.9265 24 666
                                                          20.2 394.43
                      0 0.5100 6.416 84.1 2.6463 5 296
174 0.09178 0.0 4.05
                                                         16.6 395.50
479 10.23300 0.0 18.10
                      0 0.6140 6.185 96.7 2.1705 24 666
                                                           20.2 379.70
                       0 0.6790 5.896 95.4 1.9096 24 666
426 15.86030 0.0 18.10
                                                           20.2 7.68
177 0.07022 0.0 4.05
                      0 0.5100 6.020 47.2 3.5549 5 296
                                                         16.6 393.23
163 1.83377 0.0 19.58
                       1 0.6050 7.802 98.2 2.0407 5 403
                                                          14.7 389.61
                      0 0.7130 6.317 83.0 2.7344 24 666
463 6.65492 0.0 18.10
                                                          20.2 396.90
201 0.01778 95.0 1.47
                      0 0.4030 7.135 13.9 7.6534 3 402
                                                         17.0 384.30
61 0.14932 25.0 5.13
                      0 0.4530 5.741 66.2 7.2254 8 284
                                                         19.7 395.11
247 0.33983 22.0 5.86
                      0 0.4310 6.108 34.9 8.0555 7 330
                                                         19.1 390.18
428 37.66190 0.0 18.10 0 0.6790 6.202 78.7 1.8629 24 666
                                                          20.2 18.82
77 0.10153 0.0 12.83
                      0 0.4370 6.279 74.5 4.0522 5 398
                                                         18.7 373.66
351 0.06211 40.0 1.25
                      0 0.4290 6.490 44.4 8.7921 1 335
                                                         19.7 396.90
462 3.69311 0.0 18.10
                      0 0.7130 6.376 88.4 2.5671 24 666
                                                          20.2 391.43
22 0.85204 0.0 8.14 0 0.5380 5.965 89.2 4.0123 4 307 21.0 392.53
232 0.46296 0.0 6.20
                      0 0.5040 7.412 76.9 3.6715 8 307
                                                         17.4 376.14
473 3.56868 0.0 18.10
                      0 0.5800 6.437 75.0 2.8965 24 666
                                                          20.2 393.37
466 3.16360 0.0 18.10
                      0 0.6550 5.759 48.2 3.0665 24 666
                                                          20.2 334.40
389 14.33370 0.0 18.10 0 0.7000 4.880 100.0 1.5895 24 666
                                                          20.2 372.92
32 1.35472 0.0 8.14 0 0.5380 6.072 100.0 4.1750 4 307
                                                         21.0 376.73
271 0.29916 20.0 6.96 0 0.4640 5.856 42.1 4.4290 3 223
                                                         18.6 388.65
46 0.17142 0.0 6.91 0 0.4480 5.682 33.8 5.1004 3 233
                                                        17.9 396.90
248 0.19657 22.0 5.86  0 0.4310 6.226 79.2 8.0555 7 330
                                                         19.1 376.14
281 0.03578 20.0 3.33 0 0.4429 7.820 64.5 4.6947 5 216
                                                         14.9 387.31
```

lstat medv

390 20.85 11.5

378 21.24 13.3

60 9.22 19.6

186 13.15 29.6

- 5 5.33 36.2
- 110 15.55 19.4
- 43 5.81 25.3
- 327 6.15 23.0
- 420 22.74 8.4
- 241 11.38 22.0
- 454 16.74 17.8
- 497 21.14 19.7
- 4 2.94 33.4
- 318 15.94 19.8
- 275 3.53 32.4
- 348 6.36 23.1
- 202 7.43 24.1
- 75 6.78 24.1
- 311 12.64 16.1
- 330 7.34 22.6
- 86 6.53 26.6
- 97 11.34 21.4
- 15 10.26 18.2
- 205 2.88 50.0
- 253 3.53 29.6
- 180 5.04 37.2
- 323 7.70 20.4
- 506 7.88 11.9
- 352 5.49 24.1
- 387 28.28 10.5
- 136 16.96 18.1
- 158 4.59 41.3
- 287 12.93 20.1
- 141 24.16 14.0
- 233 2.47 41.7

- 342 5.49 32.7
- 92 8.20 22.0
- 316 11.50 16.2
- 57 5.77 24.7
- 437 18.05 9.6
- 450 19.31 13.0
- 403 20.31 12.1
- 182 9.45 36.2
- 359 11.48 22.7
- 483 7.01 25.0
- 207 10.97 24.4
- 254 3.54 42.8
- 391 17.11 15.1
- 174 9.04 23.6
- 479 18.03 14.6
- 426 24.39 8.3
- 177 10.11 23.2
- 163 1.92 50.0
- 463 13.99 19.5
- 201 4.45 32.9
- 61 13.15 18.7
- 247 9.16 24.3
- 428 14.52 10.9
- 77 11.97 20.0
- 351 5.98 22.9
- 462 14.65 17.7
- 22 13.83 19.6
- 232 5.25 31.7
- 473 14.36 23.2
- 466 14.13 19.9
- 389 30.62 10.2

```
32 13.04 14.5
271 13.00 21.1
```

46 10.21 19.3

248 10.15 20.5

281 3.76 45.4

[ reached 'max' / getOption("max.print") -- omitted 333 rows ]

#### > ####Prepare Testing Data Set###

#### > df\_ts=d\_b[-s,]###-sign stands for remaining data##

#### > df ts

```
crim zn indus chas nox rm age dis rad tax ptratio black
2 0.02731 0.0 7.07 0 0.4690 6.421 78.9 4.9671 2 242
                                                       17.8 396.90
10 0.17004 12.5 7.87 0 0.5240 6.004 85.9 6.5921 5 311
                                                        15.2 386.71
17 1.05393 0.0 8.14 0 0.5380 5.935 29.3 4.4986 4 307
                                                        21.0 386.85
21 1.25179 0.0 8.14 0 0.5380 5.570 98.1 3.7979 4 307
                                                        21.0 376.57
29 0.77299 0.0 8.14 0 0.5380 6.495 94.4 4.4547 4 307
                                                        21.0 387.94
30 1.00245 0.0 8.14 0 0.5380 6.674 87.3 4.2390 4 307
                                                        21.0 380.23
36 0.06417 0.0 5.96 0 0.4990 5.933 68.2 3.3603 5 279
                                                        19.2 396.90
38 0.08014 0.0 5.96 0 0.4990 5.850 41.5 3.9342 5 279
                                                        19.2 396.90
40 0.02763 75.0 2.95
                      0 0.4280 6.595 21.8 5.4011 3 252
                                                        18.3 395.63
50 0.21977 0.0 6.91
                      0 0.4480 5.602 62.0 6.0877 3 233
                                                        17.9 396.90
56 0.01311 90.0 1.22
                      0 0.4030 7.249 21.9 8.6966 5 226
                                                        17.9 395.93
58 0.01432 100.0 1.32
                       0 0.4110 6.816 40.5 8.3248 5 256
                                                         15.1 392.90
64 0.12650 25.0 5.13
                      0 0.4530 6.762 43.4 7.9809 8 284
                                                        19.7 395.58
69 0.13554 12.5 6.07
                      0 0.4090 5.594 36.8 6.4980 4 345
                                                        18.9 396.90
70 0.12816 12.5 6.07
                      0 0.4090 5.885 33.0 6.4980 4 345
                                                        18.9 396.90
71 0.08826 0.0 10.81
                      0 0.4130 6.417 6.6 5.2873 4 305
                                                        19.2 383.73
72 0.15876 0.0 10.81
                      0 0.4130 5.961 17.5 5.2873 4 305
                                                        19.2 376.94
74 0.19539 0.0 10.81
                      0 0.4130 6.245 6.2 5.2873 4 305
                                                        19.2 377.17
82 0.04462 25.0 4.86
                      0 0.4260 6.619 70.4 5.4007 4 281
                                                        19.0 395.63
                      0 0.4260 6.302 32.2 5.4007 4 281
83 0.03659 25.0 4.86
                                                        19.0 396.90
```

```
88 0.07151 0.0 4.49 0 0.4490 6.121 56.8 3.7476 3 247
                                                        18.5 395.15
90 0.05302 0.0 3.41
                      0 0.4890 7.079 63.1 3.4145 2 270
                                                        17.8 396.06
95 0.04294 28.0 15.04 0 0.4640 6.249 77.3 3.6150 4 270
                                                         18.2 396.90
100 0.06860 0.0 2.89
                       0 0.4450 7.416 62.5 3.4952 2 276
                                                         18.0 396.90
104 0.21161 0.0 8.56
                       0 0.5200 6.137 87.4 2.7147 5 384
                                                         20.9 394.47
115 0.14231 0.0 10.01
                       0 0.5470 6.254 84.2 2.2565 6 432
                                                         17.8 388.74
119 0.13058 0.0 10.01
                       0 0.5470 5.872 73.1 2.4775 6 432
                                                         17.8 338.63
126 0.16902 0.0 25.65
                       0 0.5810 5.986 88.4 1.9929 2 188
                                                         19.1 385.02
128 0.25915 0.0 21.89
                       0 0.6240 5.693 96.0 1.7883 4 437
                                                         21.2 392.11
129 0.32543 0.0 21.89
                       0 0.6240 6.431 98.8 1.8125 4 437
                                                         21.2 396.90
                       0 0.6240 5.637 94.7 1.9799 4 437
130 0.88125 0.0 21.89
                                                         21.2 396.90
151 1.65660 0.0 19.58
                       0 0.8710 6.122 97.3 1.6180 5 403
                                                         14.7 372.80
153 1.12658 0.0 19.58
                       1 0.8710 5.012 88.0 1.6102 5 403
                                                         14.7 343.28
156 3.53501 0.0 19.58
                       1 0.8710 6.152 82.6 1.7455 5 403
                                                         14.7 88.01
                       0 0.5100 5.572 88.5 2.5961 5 296
173 0.13914 0.0 4.05
                                                         16.6 396.90
176 0.06664 0.0 4.05
                       0 0.5100 6.546 33.1 3.1323 5 296
                                                         16.6 390.96
178 0.05425 0.0 4.05
                       0 0.5100 6.315 73.4 3.3175 5 296
                                                         16.6 395.60
179 0.06642 0.0 4.05
                       0 0.5100 6.860 74.4 2.9153 5 296
                                                         16.6 391.27
181 0.06588 0.0 2.46
                       0 0.4880 7.765 83.3 2.7410 3 193
                                                         17.8 395.56
187 0.05602 0.0 2.46
                       0 0.4880 7.831 53.6 3.1992 3 193
                                                         17.8 392.63
188 0.07875 45.0 3.44
                       0 0.4370 6.782 41.1 3.7886 5 398
                                                         15.2 393.87
191 0.09068 45.0 3.44
                       0 0.4370 6.951 21.5 6.4798 5 398
                                                         15.2 377.68
203 0.02177 82.5 2.03
                       0 0.4150 7.610 15.7 6.2700 2 348
                                                         14.7 395.38
204 0.03510 95.0 2.68
                       0 0.4161 7.853 33.2 5.1180 4 224
                                                         14.7 392.78
206 0.13642 0.0 10.59
                       0 0.4890 5.891 22.3 3.9454 4 277
                                                         18.6 396.90
212 0.37578 0.0 10.59
                       1 0.4890 5.404 88.6 3.6650 4 277
                                                          18.6 395.24
213 0.21719 0.0 10.59
                       1 0.4890 5.807 53.8 3.6526 4 277
                                                         18.6 390.94
215 0.28955 0.0 10.59
                       0 0.4890 5.412 9.8 3.5875 4 277
                                                         18.6 348.93
216 0.19802 0.0 10.59
                       0 0.4890 6.182 42.4 3.9454 4 277
                                                         18.6 393.63
                       1 0.5500 5.888 56.0 3.1121 5 276
217 0.04560 0.0 13.89
                                                         16.4 392.80
220 0.11425 0.0 13.89
                       1 0.5500 6.373 92.4 3.3633 5 276
                                                         16.4 393.74
```

```
225 0.31533 0.0 6.20
                       0 0.5040 8.266 78.3 2.8944 8 307 17.4 385.05
                       0 0.5040 7.163 79.9 3.2157 8 307
228 0.41238 0.0 6.20
                                                         17.4 372.08
229 0.29819 0.0 6.20
                       0 0.5040 7.686 17.0 3.3751 8 307
                                                         17.4 377.51
238 0.51183 0.0 6.20
                       0 0.5070 7.358 71.6 4.1480 8 307
                                                         17.4 390.07
249 0.16439 22.0 5.86
                       0 0.4310 6.433 49.1 7.8265 7 330
                                                        19.1 374.71
257 0.01538 90.0 3.75
                       0 0.3940 7.454 34.2 6.3361 3 244
                                                         15.9 386.34
268 0.57834 20.0 3.97
                       0 0.5750 8.297 67.0 2.4216 5 264
                                                         13.0 384.54
280 0.21038 20.0 3.33
                       0 0.4429 6.812 32.2 4.1007 5 216
                                                         14.9 396.90
285 0.00906 90.0 2.97
                       0 0.4000 7.088 20.8 7.3073 1 285
                                                         15.3 394.72
288 0.03871 52.5 5.32
                       0 0.4050 6.209 31.3 7.3172 6 293
                                                         16.6 396.90
290 0.04297 52.5 5.32
                      0 0.4050 6.565 22.9 7.3172 6 293
                                                         16.6 371.72
293 0.03615 80.0 4.95
                       0 0.4110 6.630 23.4 5.1167 4 245
                                                         19.2 396.90
303 0.09266 34.0 6.09
                       0 0.4330 6.495 18.4 5.4917 7 329
                                                         16.1 383.61
307 0.07503 33.0 2.18
                      0 0.4720 7.420 71.9 3.0992 7 222
                                                         18.4 396.90
308 0.04932 33.0 2.18
                      0 0.4720 6.849 70.3 3.1827 7 222
                                                         18.4 396.90
313 0.26169 0.0 9.90
                       0 0.5440 6.023 90.4 2.8340 4 304
                                                         18.4 396.30
314 0.26938 0.0 9.90
                       0 0.5440 6.266 82.8 3.2628 4 304
                                                         18.4 393.39
319 0.40202 0.0 9.90
                       0 0.5440 6.382 67.2 3.5325 4 304
                                                         18.4 395.21
320 0.47547 0.0 9.90
                       0 0.5440 6.113 58.8 4.0019 4 304
                                                         18.4 396.23
326 0.19186 0.0 7.38 0 0.4930 6.431 14.7 5.4159 5 287
                                                         19.6 393.68
```

Istat medv

2 9.14 21.6

10 17.10 18.9

17 6.58 23.1

21 21.02 13.6

29 12.80 18.4

30 11.98 21.0

36 9.68 18.9

38 8.77 21.0

40 4.32 30.8

50 16.20 19.4

- 56 4.81 35.4
- 58 3.95 31.6
- 64 9.50 25.0
- 69 13.09 17.4
- 70 8.79 20.9
- 71 6.72 24.2
- 72 9.88 21.7
- 74 7.54 23.4
- 82 7.22 23.9
- 83 6.72 24.8
- 88 8.44 22.2
- 90 5.70 28.7
- 95 10.59 20.6
- 100 6.19 33.2
- 104 13.44 19.3
- 115 10.45 18.5
- 119 15.37 20.4
- 126 14.81 21.4
- 128 17.19 16.2
- 129 15.39 18.0
- 130 18.34 14.3
- 151 14.10 21.5
- 153 12.12 15.3
- 156 15.02 15.6
- 173 14.69 23.1
- 176 5.33 29.4
- 178 6.29 24.6
- 179 6.92 29.9
- 181 7.56 39.8
- 187 4.45 50.0
- 188 6.68 32.0

- 191 5.10 37.0
- 203 3.11 42.3
- 204 3.81 48.5
- 206 10.87 22.6
- 212 23.98 19.3
- 213 16.03 22.4
- 215 29.55 23.7
- 216 9.47 25.0
- 217 13.51 23.3
- 220 10.50 23.0
- 225 4.14 44.8
- 228 6.36 31.6
- 229 3.92 46.7
- 238 4.73 31.5
- 249 9.52 24.5
- 257 3.11 44.0
- 268 7.44 50.0
- 280 4.85 35.1
- 285 7.85 32.2
- 288 7.14 23.2
- 290 9.51 24.8
- 293 4.70 27.9
- 303 8.67 26.4
- 307 6.47 33.4
- 308 7.53 28.2
- 313 11.72 19.4
- 314 7.90 21.6
- 319 10.36 23.1
- 320 12.73 21.0
- 326 5.08 24.6

[ reached 'max' / getOption("max.print") -- omitted 31 rows ]

#### >head(df tr)### Display ist six rows##

crim zn indus chas nox rm age dis rad tax ptratio black lstat

390 8.15174 0 18.10 0 0.700 5.390 98.9 1.7281 24 666 20.2 396.90 20.85

378 9.82349 0 18.10 0 0.671 6.794 98.8 1.3580 24 666 20.2 396.90 21.24

60 0.10328 25 5.13 0 0.453 5.927 47.2 6.9320 8 284 19.7 396.90 9.22

186 0.06047 0 2.46 0 0.488 6.153 68.8 3.2797 3 193 17.8 387.11 13.15

5 0.06905 0 2.18 0 0.458 7.147 54.2 6.0622 3 222 18.7 396.90 5.33

110 0.26363 0 8.56 0 0.520 6.229 91.2 2.5451 5 384 20.9 391.23 15.55

medv

390 11.5

378 13.3

60 19.6

186 29.6

# Step 2: Develop the model on the training data and use it to predict the distance on test data

```
>Linrearmodel=lm(medv~.,data=df_tr)#####
> summary(Linrearmodel)
```

#### Call:

5 36.2

110 19.4

 $lm(formula = medv \sim ., data = df tr)$ 

### Residuals:

Min 1Q Median 3Q Max -10.953 -2.756 -0.575 1.763 25.924

#### Coefficients:

```
Estimate Std. Error t value Pr(>|t|)
(Intercept) 32.904538 5.775851 5.697 2.41e-08 ***
       crim
       zn
indus
        0.034628 \quad 0.066837 \quad 0.518 \quad 0.604681
       3.331052 0.978222 3.405 0.000730 ***
chas
nox
       -13.954187 4.314143 -3.235 0.001322 **
       rm
       0.010954 0.015362 0.713 0.476233
age
      dis
rad
       0.276809  0.073523  3.765  0.000192 ***
       -0.012474  0.004181  -2.983  0.003033 **
tax
       -0.889940 0.142852 -6.230 1.21e-09 ***
ptratio
        0.009894 0.002898 3.414 0.000706 ***
black
      -0.555489 0.056434 -9.843 < 2e-16 ***
lstat
Signif. codes: 0 '*** 0.001 '** 0.01 '* 0.05 '.' 0.1 ' '1
```

Residual standard error: 4.748 on 390 degrees of freedom

Multiple R-squared: 0.7409, Adjusted R-squared: 0.7323

F-statistic: 85.79 on 13 and 390 DF, p-value: < 2.2e-16

## Analysis of Model: ###here crim ,zn,dis,rad are significant \*\*\*###

#### ###Plot Residual###

Residual plots are used to look for underlying patterns in the residuals that may mean that the model has a problem. When using the plot() function, the first plot is the Residuals vs Fitted plot and gives an indication if there are non-linear patterns.

#### Linrearmodel\$residuals

390 378 60 186 5 110

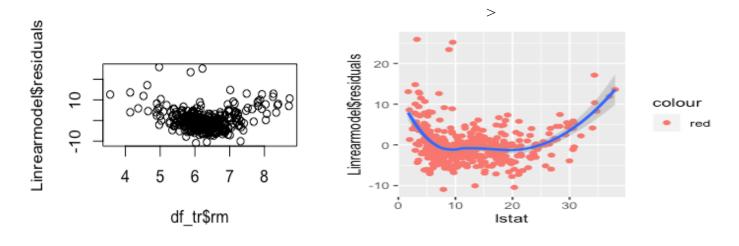
```
-2.72119807 -6.54549548 -1.61373066 5.18367021 8.15957088 -0.33920144
                                     454
    43
            327
                    420
                            241
                                             497
0.46252320 -0.67767976 -5.60139449 -4.91963258 -4.72983165 5.77839715
                   275
                            348
                                    202
                                             75
           318
4.68878834 1.30965582 -3.76640112 -2.18023045 -4.64732350 -0.70966252
            330
                     86
                             97
                                    15
    311
                                            205
-2.09242215 -1.09274119 -0.99717309 -2.95801748 -1.65031201 7.83394763
    253
            180
                    323
                             506
                                     352
                                              387
4.62992454 4.68833297 -2.53345058 -10.95250335 3.05187396 4.54377271
    136
            158
                    287
                            141
                                     233
                                              342
0.31758424 7.83914083 0.10048493 0.25803919 3.89113829 2.44910446
    92
            316
                    57
                            437
                                    450
                                             403
-5.23275860 -4.64494441 -0.32179596 -4.79403873 -4.22356200 -5.99915697
    182
            359
                    483
                             207
                                     254
                                              391
8.86859347 -0.65331123 -3.24493263 0.84458480 12.96799759 -2.21507276
    174
            479
                    426
                             177
                                     163
                                              463
-5.20321800 -4.31714159 -1.13976890 -1.97419085 8.58226957 -0.45643154
    201
            61
                    247
                            428
                                     77
                                             351
2.79651839  0.54002257  4.16538918  -2.74727385  -2.74027582  1.92999759
    462
            22
                    232
                            473
                                     466
                                             389
-2.64834024 1.48817921 -1.38235607 1.14486439 2.29926659 4.00060658
           271
                                             234
    32
                    46
                            248
                                    281
-4.14262991 -0.83021790 -2.52704913 0.12060360 7.11053177 11.47950992
    432
            381
                    239
                            195
                                     246
                                              286
-3.83512271 -3.51642314 -4.16318542 -1.83536983 4.85514025 -4.93206719
    396
            152
                    263
                             401
                                      65
                                             472
-7.14631653 0.17470518 8.01343194 -5.96172163 9.13615559 -3.07137455
            357
                    363
                                     382
    45
                            103
                                             265
-1.62073564 -2.79565093 1.91519934 -1.07141337 -7.25741608 0.83606306
    278
            67
                    27
                            361
                                    255
                                             106
-1.87214116 -5.54404963 0.56672579 1.75749582 -2.17399853 0.99688184
```

```
373 135
                           315
                                  375
                                           78
    332
-2.65227844 23.41010355 1.78009431 -1.96118223 13.59910928 -2.14486691
            68
                   364
                          486
                                  140
                                          62
    112
-3.61275363 1.13687106 -4.40166936 -0.74702959 0.94186715 -2.91416588
    309
           397
                   477
                          170
                                  502
                                          279
-6.15245770 -6.64586627 -3.49634715 -4.45905577 -1.37791550 -0.59894167
    146
            80
                  161
                         166
                                  81
                                         505
1.32384763 -1.78366273 -6.54527323 -0.50221754 -0.05966792 -4.63190649
   325
           159
                           55
                                  284
                   267
                                         150
-0.07630901 -4.99687431 -0.14490446 3.57691635 5.65948874 -0.18888161
    91
           298
                   23
                         430
                                 371
                                        192
-4.23784065  0.82519720  -0.91867482  -3.05216125  14.80156600  0.66241656
    231
           297
                   377
                           415
                                  372
                                          240
0.10279354 -0.20309386 -3.32650233 11.89847590 25.19669387 -4.76225302
   259
                           98
                                  301
           449
                 149
                                          481
-0.38119131 -3.55492407 7.45654015 3.27252124 -5.66666788 -0.02353696
    461
           221
                   28
                          273
                                  499
                                          331
-2.66575705 -6.82838076 -0.26570781 -3.87498345 -0.01301394 -1.48852088
   264
            20
                  175
                          501
                                 185
                                          53
-3.22467748 -0.51305540 -3.56621035 -3.70487934 3.81985571 -2.43424880
   226
           164
                   94
                           99
                                  306
                                         353
10.65013358 7.43758387 -3.61718974 9.38746050 -1.77129694 1.35464049
   245
           484
                   84
                          335
                                 101
                                          168
0.78566467 1.19613040 -1.95626765 -1.23723185 2.90243271 0.74756883
    41
           485
                   345
                           42
                                  200
                                         383
329
                   300
                           13
                                 458
    44
                                          12
0.50728516 -1.39253076 -2.22716544 1.10534103 0.72727728 -3.04274216
   211
            31
                  445
                           59
                                  237
                                          14
-1.37765378 0.96219572 -0.63690061 1.36558126 -5.52830584 0.37158290
   453
            76
                  157
                          190
                                  117
                                          19
```

```
-2.57856390 -2.24716770 -1.39550329 1.21880428 -1.99920097 4.08600134
    125
            395
                    123
                              8
                                    296
                                            172
-2.12309440 -5.25668715 -0.38268930 7.33210233 0.38790532 -5.40645409
                             230
                                      93
                                             496
    276
            421
                    134
-1.35518854 -3.00356212 1.94943115 0.92977687 -5.73710226 6.69191572
                            250
                                     347
    37
           113
                    269
                                             120
-2.13668462 -1.83929921 4.72217985 2.23143850 2.05468391 -1.25898453
    108
            394
                    460
                             154
                                     310
                                              48
-0.22876212 -6.41524831 1.28247783 1.16670813 -3.42468012 -1.49950446
    442
                     39
                            102
                                     289
            369
                                            137
-0.29904167 25.92443412 2.18552916 0.91446194 -4.71822944 1.03027979
                             322
    302
            413
                    418
                                     360
                                              144
-6.32252034 17.11944181 4.03403421 -1.82001830 2.98805207 2.74725511
    105
            127
                    312
                             474
                                     7
                                            406
-1.37358517 1.04444762 -4.67681610 4.64871652 -0.18137274 -2.95405998
    283
            362
                   142
                             261
                                     277
                                             400
5.53010175 0.59327730 10.35614063 -0.73557080 -2.62387403 -3.93193112
    274
            337
                    194
                             328
                                     242
                                              407
-0.57169850 -0.85035834 -0.25964298 2.88154869 -3.46457572 4.00562209
    270
            282
                     66
                            111
                                     452
                                             355
-5.34884554 1.64744262 -6.23777551 1.32933460 -4.28926818 3.27354569
    405
            162
                         133
                    131
                                   1
                                            356
1.60260236 13.05729495 -1.48057489 2.20905976 -6.01121277 3.39498218
    431
            87
                     6
                           118
                                  109
                                            122
-2.94351631 0.74424402 3.19603467 -4.49580790 -2.92176507 -2.53437976
    189
            89
                    419
                            438
                                     299
                                             199
-1.78468663 -7.08700337 3.07560114 0.18155703 -6.12381202 0.53526538
             3
                   304
                            398
                                    384
    334
                                             96
-0.35082126 4.07172956 1.07092838 -7.78016203 -0.61507865 0.20753899
    197
            457
                     9
                            51
                                   165
                                            295
-2.22357468 0.13877928 4.93802658 -1.43878996 -2.29768976 -2.47605646
```

-4.91334122 -0.50337329 -0.87086111 -5.80199720 6.00476233 -0.92754476 4.31566635 -4.22059080 12.60827475 -2.58108279 10.04645503 2.03421288 2.21235059 -1.15958213 -2.10962336 3.98513210 2.44187863 5.87937645 -2.62319555 6.10295394 -6.95321267 -1.09327343 -1.09967590 -4.26067459 -3.24384157 0.10152776 -2.52312863 -0.61891928 -1.45787226 -0.87891221 -0.94899718 -2.18745864 -2.34540593 -0.56820788 0.22034937 -1.51663439 -5.24158403 4.12162500 1.05839612 -2.23828558 -0.32455111 -0.16672642 266 148 -0.01245550 -0.37210738 -2.32010328 -2.13305403 -5.15686686 5.43417468 3.71914793 4.03802287 3.55845181 -1.65245412 -2.92240713 -3.73079592 0.05440191 4.21834045 -0.19364981 -2.29035946 -0.37021153 0.42804146 -2.71025052 -4.64822262 12.68516076 3.26082348 -4.01471234 0.16065482 0.23093311 -2.68422160 7.06335436 -3.05722906 -3.71728952 -3.05565664 6.11663059 8.24462468 -5.16250530 2.59821446 -1.18572548 -1.74323272 2.92836386 -2.14852284 -2.96133921 -0.40701818 4.87829205 -2.78669364 

-5.24647887 -0.07782058 5.37016052 -10.45088991 -2.78321539 -0.50299750 2.31737038 -1.89465520 0.21762206 -1.51300412 -3.46305694 -0.71729756 -0.57832016 4.70914001 2.40933305 -3.60796407 -10.05466464 3.52807253 -0.09120371 4.14166510



### **Step 3: Prediction based on Model**

> p1=predict(Linrearmodel,df\_ts[,-14])

> p1

2 10 17 21 29 30 36

25.223425 19.257386 20.674775 12.838593 20.083696 21.291397 23.726945

38 40 50 56 58 64 69

 $22.902285\ 30.797274\ 17.251368\ 30.913450\ 32.902169\ 22.725778\ 17.216855$ 

70 71 72 74 82 83 88

 $20.631719\ 24.648721\ 21.265761\ 23.481506\ 26.982801\ 25.693125\ 25.583739$ 

90 95 100 104 115 119 126

30.587051 26.922639 31.790930 20.353845 25.054046 20.022465 22.838271 15.694686 19.440735 14.571405 21.830587 21.865167 21.413989 22.690669 30.120431 28.992722 31.120737 34.361177 35.393429 32.473385 30.163972 36.225427 41.020393 22.237328 17.541213 23.044534 9.932291 24.263180 27.001878 30.532667 37.940761 32.131952 34.579162 32.598333 21.439985 36.873096 40.103650 34.466884 30.954940 26.729202 26.376521 31.196762 28.067853 35.015200 32.211401 23.442115 25.795653 24.343334 21.352095 24.533219 20.869470 22.191679 21.330925 27.481439 22.491879 38.067523 10.837330 33.274834 19.956528 13.013395 19.120979 11.331606 8.920260 18.225889 12.373367 13.140410 13.100627 12.711464 18.988445 17.807595 18.368968 15.623419 20.183244 16.471463 19.866658 15.500701 11.137518 21.583137 8.478326 20.492767 28.106226

#### ### Actuals and Predicted Difference##

- > d\_pred=data.frame(cbind(actuals=df\_ts\$medv,predicted=p1))
- > d\_pred actuals predicted
- 2 21.6 25.223425
- 10 18.9 19.257386
- 17 23.1 20.674775

- 21 13.6 12.838593
- 29 18.4 20.083696
- 30 21.0 21.291397
- 36 18.9 23.726945
- 38 21.0 22.902285
- 40 30.8 30.797274
- 50 19.4 17.251368
- 56 35.4 30.913450
- 58 31.6 32.902169
- 64 25.0 22.725778
- 69 17.4 17.216855
- 70 20.9 20.631719
- 71 24.2 24.648721
- 72 21.7 21.265761
- 74 23.4 23.481506
- 82 23.9 26.982801
- 83 24.8 25.693125
- 88 22.2 25.583739
- 90 28.7 30.587051
- 95 20.6 26.922639
- 100 33.2 31.790930
- 104 19.3 20.353845
- 115 18.5 25.054046
- 119 20.4 20.022465
- 126 21.4 22.838271
- 128 16.2 15.694686
- 129 18.0 19.440735
- 130 14.3 14.571405
- 151 21.5 21.830587
- 153 15.3 21.865167
- 156 15.6 21.413989

- 173 23.1 22.690669
- 176 29.4 30.120431
- 178 24.6 28.992722
- 179 29.9 31.120737
- 181 39.8 34.361177
- 187 50.0 35.393429
- 188 32.0 32.473385
- 191 37.0 30.163972
- 203 42.3 36.225427
- 204 48.5 41.020393
- 206 22.6 22.237328
- 212 19.3 17.541213
- 213 22.4 23.044534
- 215 23.7 9.932291
- 216 25.0 24.263180
- 217 23.3 27.001878
- 220 23.0 30.532667
- 225 44.8 37.940761
- 228 31.6 32.131952
- 229 46.7 34.579162
- 238 31.5 32.598333
- 249 24.5 21.439985
- 257 44.0 36.873096
- 268 50.0 40.103650
- 280 35.1 34.466884
- 285 32.2 30.954940
- 288 23.2 26.729202
- 290 24.8 26.376521
- 293 27.9 31.196762
- 303 26.4 28.067853
- 307 33.4 35.015200

- 308 28.2 32.211401
- 313 19.4 23.442115
- 314 21.6 25.795653
- 319 23.1 24.343334
- 320 21.0 21.352095
- 326 24.6 24.533219
- 336 21.1 20.869470
- 339 20.6 22.191679
- 340 19.0 21.330925
- 349 24.5 27.481439
- 350 26.6 22.491879
- 365 21.9 38.067523
- 368 23.1 10.837330
- 370 50.0 33.274834
- 408 27.9 19.956528
- 409 17.2 13.013395
- 410 27.5 19.120979
- 414 16.3 11.331606
- 416 7.2 8.920260
- 422 14.2 18.225889
- 424 13.4 12.373367
- 436 13.4 13.140410
- 440 12.8 13.100627
- 441 10.5 12.711464
- 443 18.4 18.988445
- 447 14.9 17.807595
- 448 12.6 18.368968
- 456 14.1 15.623419
- 465 21.4 20.183244
- 469 19.1 16.471463
- 471 19.9 19.866658

```
476 13.3 15.500701
```

478 12.0 11.137518

480 21.4 21.583137

490 7.0 8.478326

494 21.8 20.492767

504 23.9 28.106226

#### **Step:4 Calculation of Accuracy**

>mma=mean(apply(d\_pred,1,min)/apply(d\_pred,1,max))

> mma###.9599###

#### [1] 0.8814823

The accuracy is 88%. To improve the accuracy, we can generate other model, by eliminating non significant rows from first model

## Step:5 Generation of another model by eliminating nonsignificant variables from model1

```
d_pre2=lm(medv~.,-zn-indus-age,data=df_tr)
```

> summary(d pre2)

#### Call:

 $lm(formula = medv \sim ., data = df tr, subset = -zn - indus - age)$ 

#### Residuals:

#### Coefficients:

Estimate Std. Error t value Pr(>|t|)

(Intercept) 37.733726 6.582713 5.732 2.44e-08 \*\*\*

crim -0.100197 0.041366 -2.422 0.01603 \*

zn 0.053385 0.017566 3.039 0.00259 \*\*

indus 0.043918 0.071050 0.618 0.53697

```
2.312570 1.138898 2.031 0.04320 *
chas
       -16.004602 4.851099 -3.299 0.00109 **
nox
       3.229035  0.549185  5.880  1.11e-08 ***
rm
       0.009800 0.017446 0.562 0.57471
age
      dis
       0.250605  0.079071  3.169  0.00169 **
rad
       -0.011231 0.004335 -2.591 0.01005 *
tax
       ptratio
        0.008648  0.003251  2.660  0.00823 **
black
      -0.570380 0.062755 -9.089 < 2e-16 ***
lstat
```

Signif. codes: 0 '\*\*\* 0.001 '\*\* 0.01 '\* 0.05 '.' 0.1 ' '1

Residual standard error: 4.633 on 296 degrees of freedom Multiple R-squared: 0.743, Adjusted R-squared: 0.7317

F-statistic: 65.82 on 13 and 296 DF, p-value: < 2.2e-16

# > Step 5: Develop the prediction based on this new model >p2=predict(d\_pre2,df\_ts[,-14])

> p22 10 17 21 29 30 36 24.948907 18.682799 20.763474 12.962873 19.765246 20.974552 23.937108 38 40 56 58 64 69 50 23.065905 31.217304 17.008073 30.392244 32.733862 21.830284 17.270943 70 71 72 74 82 83 88 20.626726 24.630870 21.397068 23.536380 26.871530 25.770534 25.753917 90 95 100 104 115 119 126 30.399546 27.332568 31.525290 20.672933 25.438562 20.527072 23.224138 128 129 130 151 153 156 173 16.357123 19.792838 15.199937 21.762328 21.338376 20.661096 23.085772 176 178 179 181 187 188 191

```
30.180030 29.045681 31.019285 33.843857 34.829639 32.922173 30.007799
   203
          204
                 206
                        212
                                213
                                       215
                                              216
36.229726 41.059185 22.453079 16.746522 22.238562 10.234661 24.353795
   217
          220
                 225
                        228
                                229
                                       238
                                              249
26.167427 29.432356 37.250587 31.835612 34.119511 32.015849 20.843867
   257
          268
                 280
                        285
                                288
                                       290
                                              293
36.905714 39.470451 34.395679 30.944366 26.655603 26.152836 31.729262
   303
                 308
                        313
                                       319
          307
                                314
                                              320
28.076202 34.868665 32.282202 23.669773 25.891067 24.308397 21.304560
   326
          336
                 339
                        340
                                349
                                       350
                                              365
24.243894 20.416739 21.979923 21.123166 27.220868 21.807199 36.124761
   368
          370
                 408
                        409
                               410
                                       414
                                              416
12.562653 32.551798 20.663788 13.576242 19.469731 12.482311 9.286831
   422
          424
                                       443
                 436
                        440
                                441
                                              447
18.429278 13.009377 13.158131 13.258154 12.910384 18.899125 17.738695
   448
          456
                 465
                        469
                               471
                                       476
                                              478
18.276832 15.773624 20.168298 16.772777 19.909209 15.725148 11.708416
   480
          490
                 494
                        504
21.920130 9.640224 20.973068 28.177519
```

## **Step:6 Calculation of Accuracy**

>d\_pm2=data.frame(cbind(actuals=df\_ts\$medv,predicted=p2))

 $> d_pm2$ 

actuals predicted

- 2 21.6 24.948907
- 10 18.9 18.682799
- 17 23.1 20.763474
- 21 13.6 12.962873
- 29 18.4 19.765246
- 30 21.0 20.974552

- 36 18.9 23.937108
- 38 21.0 23.065905
- 40 30.8 31.217304
- 50 19.4 17.008073
- 56 35.4 30.392244
- 58 31.6 32.733862
- 64 25.0 21.830284
- 69 17.4 17.270943
- 70 20.9 20.626726
- 71 24.2 24.630870
- 72 21.7 21.397068
- 74 23.4 23.536380
- 82 23.9 26.871530
- 83 24.8 25.770534
- 88 22.2 25.753917
- 90 28.7 30.399546
- 95 20.6 27.332568
- 100 33.2 31.525290
- 104 19.3 20.672933
- 115 18.5 25.438562
- 119 20.4 20.527072
- 126 21.4 23.224138
- 128 16.2 16.357123
- 129 18.0 19.792838
- 130 14.3 15.199937
- 151 21.5 21.762328
- 153 15.3 21.338376
- 156 15.6 20.661096
- 173 23.1 23.085772
- 176 29.4 30.180030
- 178 24.6 29.045681

- 179 29.9 31.019285
- 181 39.8 33.843857
- 187 50.0 34.829639
- 188 32.0 32.922173
- 191 37.0 30.007799
- 203 42.3 36.229726
- 204 48.5 41.059185
- 206 22.6 22.453079
- 212 19.3 16.746522
- 213 22.4 22.238562
- 215 23.7 10.234661
- 216 25.0 24.353795
- 217 23.3 26.167427
- 220 23.0 29.432356
- 225 44.8 37.250587
- 228 31.6 31.835612
- 229 46.7 34.119511
- 238 31.5 32.015849
- 249 24.5 20.843867
- 257 44.0 36.905714
- 268 50.0 39.470451
- 280 35.1 34.395679
- 285 32.2 30.944366
- 288 23.2 26.655603
- 290 24.8 26.152836
- 293 27.9 31.729262
- 303 26.4 28.076202
- 307 33.4 34.868665
- 308 28.2 32.282202
- 313 19.4 23.669773
- 314 21.6 25.891067

- 319 23.1 24.308397
- 320 21.0 21.304560
- 326 24.6 24.243894
- 336 21.1 20.416739
- 339 20.6 21.979923
- 340 19.0 21.123166
- 349 24.5 27.220868
- 350 26.6 21.807199
- 365 21.9 36.124761
- 368 23.1 12.562653
- 370 50.0 32.551798
- 408 27.9 20.663788
- 409 17.2 13.576242
- 410 27.5 19.469731
- 414 16.3 12.482311
- 416 7.2 9.286831
- 422 14.2 18.429278
- 424 13.4 13.009377
- 436 13.4 13.158131
- 440 12.8 13.258154
- 441 10.5 12.910384
- 443 18.4 18.899125
- 447 14.9 17.738695
- 448 12.6 18.276832
- 456 14.1 15.773624
- 465 21.4 20.168298
- 469 19.1 16.772777
- 471 19.9 19.909209
- 476 13.3 15.725148
- 478 12.0 11.708416
- 480 21.4 21.920130

```
490 7.0 9.640224
494 21.8 20.973068
504 23.9 28.177519
> mma=mean(apply(d_pm2,1,min)/apply(d_pm2,1,max))
> mma
####.96026###
So now the accuracy is 96%. So we can develop such models to increase the accuracy.
```

## **Step-7:Lasso and Ridge regression**

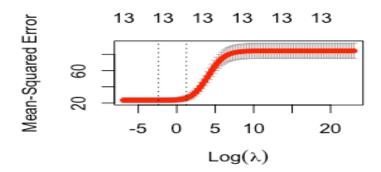
Ridge and Lasso regression are powerful techniques generally used for creating parsimonious models in presence of a 'large' number of features. Here 'large' can typically mean either of two things: Large enough to enhance the tendency of a model to overfit (as low as 10 variables might cause overfitting. The key difference between these two is the penalty term. Ridge regression adds "squared magnitude" of coefficient as penalty term to the loss function. ... Lasso Regression (Least Absolute Shrinkage and Selection Operator) adds "absolute value of magnitude" of coefficient as penalty term to the loss function.

**Ridge regression** puts constraint on the coefficients (w). The penalty term (lambda) regularizes the coefficients such that if the coefficients take large values the optimization function is penalized. So, **ridge regression** shrinks the coefficients and it helps to reduce the model complexity and multi-collinearity

```
>install.packages("glmnet")
>library(glmnet) ## Import this library for Ridge and lasso Regression###
>lambda=10^seq(-3,10,length.out = 100)
> lambda
[1] 1.000000e-03 1.353048e-03 1.830738e-03 2.477076e-03 3.351603e-03
[6] 4.534879e-03 6.135907e-03 8.302176e-03 1.123324e-02 1.519911e-02
[11] 2.056512e-02 2.782559e-02 3.764936e-02 5.094138e-02 6.892612e-02
[16] 9.326033e-02 1.261857e-01 1.707353e-01 2.310130e-01 3.125716e-01
```

[21] 4.229243e-01 5.722368e-01 7.742637e-01 1.047616e+00 1.417474e+00 [26] 1.917910e+00 2.595024e+00 3.511192e+00 4.750810e+00 6.428073e+00 [31] 8.697490e+00 1.176812e+01 1.592283e+01 2.154435e+01 2.915053e+01 [36] 3.944206e+01 5.336699e+01 7.220809e+01 9.770100e+01 1.321941e+02 [41] 1.788650e+02 2.420128e+02 3.274549e+02 4.430621e+02 5.994843e+02 [46] 8.111308e+02 1.097499e+03 1.484968e+03 2.009233e+03 2.718588e+03 [51] 3.678380e+03 4.977024e+03 6.734151e+03 9.111628e+03 1.232847e+04 [56] 1.668101e+04 2.257020e+04 3.053856e+04 4.132012e+04 5.590810e+04 [61] 7.564633e+04 1.023531e+05 1.384886e+05 1.873817e+05 2.535364e+05 [66] 3.430469e+05 4.641589e+05 6.280291e+05 8.497534e+05 1.149757e+06 [71] 1.555676e+06 2.104904e+06 2.848036e+06 3.853529e+06 5.214008e+06 [76] 7.054802e+06 9.545485e+06 1.291550e+07 1.747528e+07 2.364489e+07 [81] 3.199267e+07 4.328761e+07 5.857021e+07 7.924829e+07 1.072267e+08 [86] 1.450829e+08 1.963041e+08 2.656088e+08 3.593814e+08 4.862602e+08 [91] 6.579332e+08 8.902151e+08 1.204504e+09 1.629751e+09 2.205131e+09 [96] 2.983647e+09 4.037017e+09 5.462277e+09 7.390722e+09 1.000000e+10

#### ### Set alpha=0 in Ridge###



>ridgmod=cv.glmnet(x,y,alpha=0,lambda=lambda,standardize=TRUE,nfold=10)

**Step-8 Calculation of Accuracy using Ridge Mode** 

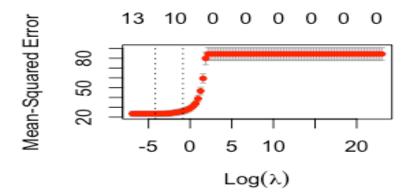
>d\_ridge=data.frame(cbind(actuals=df\_ts\$medv,predicted=p4))## Data Farme##

> mma=mean(apply(d\_ridge,1,min)/apply(d\_ridge,1,max))

> mma

## ### Set alpha=1in Lasso###

- >lassomod=cv.glmnet(x,y,alpha=1,lambda=lambda,standardize=TRUE,nfolds=10
- > plot(lassomod)



## **Step-9 Calculation of Accuracy using Lasso Mode**

- > p4lasso=predict(lassomod,as.matrix(df\_ts[,-14]))
- > d lasso=data.frame(cbind(actuals=df ts\$medv,predicted=p4lasso))
- > mma=mean(apply(d lasso,1,min)/apply(d lasso,1,max))
- > mma

### [1] 0.8533709

So the accuracy calculated by Simple Regression, Ridge Regression and Lasso Regression are calculated. Based on that simple regression gives maximum accuracy.

Summary: The model development is done based on the various factors based on tvalue and pvalue. Non significant variables were detected and another model was developed. The prediction is done based on this model. So for Boston Data set as there are no missing values, the simple linear regression turns out be best for maximum accuracy (96%)

# R-Script for the case study

```
####Project-1####
##Boston###
library(MASS)
d b=Boston
View(d b)
head(d b)### Displays Ist 6 Observations (Rows)####
scatter.smooth(x=d b$age, y=d b$medv, main="age ~ medv") # scatterplot
                                                                                      ۳,
boxplot(d b$medv,
                         main="medv",
                                               sub=paste("Outlier
                                                                         rows:
boxplot.stats(d b$medv)$out)) # box plot for medv
c=cor(d b$age, d b$medv) # calculate correlation between age and medv ##
##-0.3769546##
### Build Linear Regression Model###
linearMod = lm(age ~ medy, data=d b) # build linear regression model on full data
print(linearMod)
summary(linearMod)
modelSummary =summary(linearMod) # capture model summary as an object
modelCoeffs = modelSummary$coefficients # model coefficients
beta.estimate = modelCoeffs["medv", "Estimate"] # get beta estimate for speed
std.error = modelCoeffs["medv", "Std. Error"] # get std.error for speed
std.error
t value =beta.estimate/std.error # calc t statistic
t value
p value = 2*pt(-abs(t value), df=nrow(cars)-ncol(cars)) # calc p Value
f statistic = linearMod$fstatistic[1] # fstatistic
f statistic
f = summary(linearMod)$fstatistic # parameters for model p-value calc
model p = pf(f[1], f[2], f[3], lower = FALSE)
```

```
model p
###Training Data Set with 80% Values****
s=sample(nrow(d b),.80*nrow(d b))###Sampling###
#### Preapre Training Data Set###
df tr=d b[s,]
df tr
####Prepare Testing Data Set###
df ts=d b[-s,]###-sign stands for remaining data##
df ts
###Find out Missing Values###
sum(is.na(d b))### Missing Values Calculation ####
#### Find Structure of the data ####
str(d b)
### Filtering---Print Records who has age between 20 to 40--preapre New Data Frame####
d b1=subset(d b,'age'>=20 \&'age'<=40,selec=c(age,medv))
d b1
head(d b1)
boxplot(d b$age)
range(d b$age)
diff(range(d b$age))
#### Print Histogram ###
hist(d b\square,binwidth=10)
###### Perform Univarite Statiscal ANalysis###
boxplot(d b$crim)
boxplot(d b$medv)
boxplot(d b$lstat)
##### Find Out Kurtosis and Skewness###
library(moments)
```

```
### Kurtosis###
skewness(d b$crim)
##5.2076##
skewness(d b$medv)
##1.104###
skewness(d b$lstat)
###.90377###
kurtosis(d b$crim)
###39.75###
kurtosis(d b$medv)
###4.46##
kurtosis(d b$lstat)
###3.4765###
#### Plotting of Crim, medv and lstat###
library(ggplot2)
ggplot(d b,aes(x=d b$crim))+geom density()
ggplot(d b,aes(x=d b$medv))+geom density()
ggplot(d b,aes(x=d b$lstat))+geom density()
### Observe the graph..Crim is highally skewed Do Log Transformation###
d log$crim=log1p(d b$crim)
#### Replace original Crim with log Transformed crim...You can createnew dataframe as
well as can keep the same###
d b\scrim=log1p(d b\scrim)
d b$crim #### New log transformed Crim###
#ggplot(d b,aes(x=d b$crim))+geom density()#
### Statiscal Analysis For Log Transformed Variables:Crim###
kurtosis(d b$crim)
###3.487747###
```

```
skewness(d b$crim)
## 1.265435###
### Pi-Plot 5 Prices####
d b[order(-d b$medv),]
d order=d b[order(-d b$medv),]#### Decending Order###
head(d order)
### Order Medv###
sum(duplicared(d order$medv))### How many duplicated values in medv##
length(unique(d b$medv))
### Order zn###
sum(duplicated(d order$zn))
length(unique(d b$zn))
#### zone and price table by method-1 using group by###
tapply(d b$zn, d b$medv, mean)
#### zone and price table by method-2 which is good for Printing using ###
library(dplyr) # alternatively, this also loads %>%
d b%>% group by(zn)%>%summarise(mean(medv))### It will Print Table##
##### Prediction####
head(df tr)
head(d b)
df tr=d b[s,]
df_ts=d_b[-s,]
Linrearmodel=lm(medv~.,data=df tr)
summary(Linrearmodel)
```

```
###here crim ,zn,dis,rad are significant ***###
###Plot Residual###
Linrearmodel$residuals
plot(df tr$rm,Linrearmodel$residuals)
ggplot(df tr,aes(lstat,Linrearmodel$residuals))+geom point(aes(col="red"))+geom smoot
h()
#### Prediction###
p1=predict(Linrearmodel,df ts[,-14])
p1
### Actuals and Prdicted Difference##
d pred=data.frame(cbind(actuals=df ts$medv,predicted=p1))
d pred
mma=mean(apply(d pred,1,min)/apply(d pred,1,max))
mma###.9599###
####Linmodel 2 ---elimniting rows####
d pre2=lm(medv~.,-zn-indus-age,data=df tr)
summary(d pre2)
p2=predict(d pre2,df ts[,-14])
p2
d pm2=data.frame(cbind(actuals=df ts$medv,predicted=p2))
d pm2
mma=mean(apply(d pm2,1,min)/apply(d pm2,1,max))
mma###.96026###
#### Remove rm#####
#### VIF ####
library(car)
vif(d pre2)###with model-2##
##model 3 after removing columns with high multicololineranit..columns VIF>5###
d pre3=lm(medv~.,-crim-rad-tax-zn-indus-age,data=df tr)
```

```
summary(d pre3)
p3=predict(d pre3,df ts[,-14])
p3
d pred3=data.frame(cbind(actuals=df ts$medv,predicted=p3))
mma=mean(apply(d pred3,1,min)/apply(d pred3,1,max))
mma
###0.9602686###
####Ridge Regression###mma
####Ridge Regression####
library(glmnet)
install.packages("glmnet")
library(glmnet)
lambda=10^seq(-3,10,length.out=100)
lambda
x=as.matrix(df tr[,-14])
y=as.matrix(df ts[,14])
ridgmod=cv.glmnet(x,v,alpha=0,lambda=lambda,standardize=TRUE,nfold=10)
ridgmod=cv.glmnet(x,y,alpha=0,lambda=lambda,standardize=TRUE,nfolds=10)
ridgmod=cv.glmnet(x,y,alpha=0,lambda=lambda,standardize=TRUE,nfolds=10)
x=as.matrix(df tr[,-14])
y=as.matrix(df tr[,14])
ridgmod=cv.glmnet(x,y,alpha=0,lambda=lambda,standardize=TRUE,nfolds=10)
plot(ridgmod)
p4=predict(ridgmod,as.matrix(df_ts[,-14]))
p4
d ridge=data.frame(cbind(actuals=df ts$medv,predicted=p4))
```

```
mma=mean(apply(d\_ridge,1,min)/apply(d\_ridge,1,max))\\ mma\\ lassomod=cv.glmnet(x,y,alpha=1,lambda=lambda,standardize=TRUE,nfolds=10)\\ plot(lassomod)\\ p4lasso=predict(lassomod,as.matrix(df\_ts[,-14]))\\ d\_lasso=data.frame(cbind(actuals=df\_ts\$medv,predicted=p4lasso))\\ mma=mean(apply(d\_lasso,1,min)/apply(d\_lasso,1,max))\\ mma\\
```