

Multicollinear and VIF and bias

① ~~diff bet Multicollinearity vs Correlation~~ 0.8
-0.8

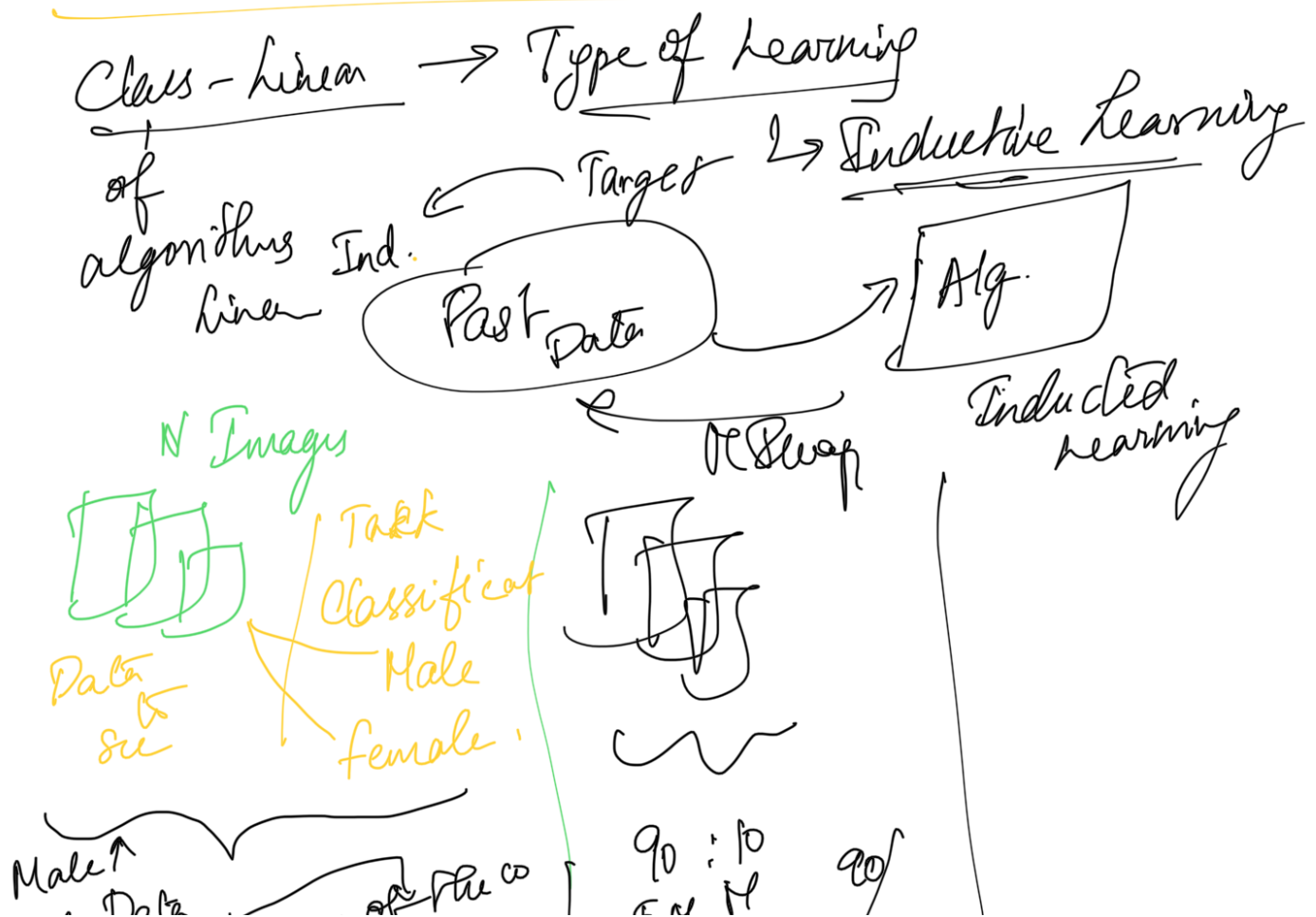
② ~~future data / we have some cols~~ No. New cols VCF / In future

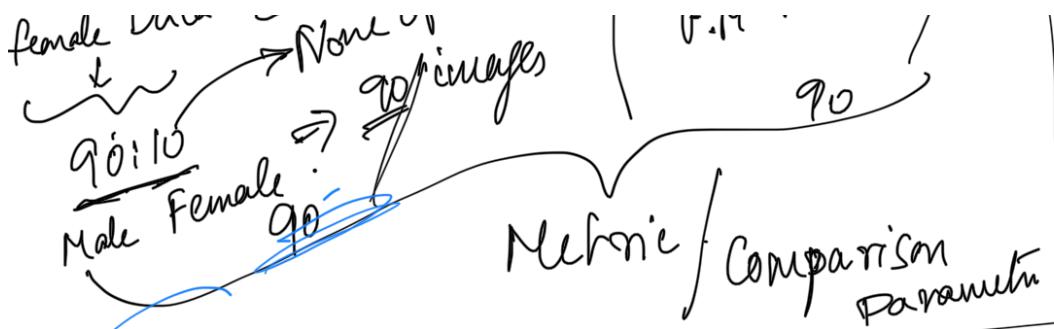
~~if we see no. M.C. how to adjust~~

③ ~~Multicollinearity~~ \rightarrow ~~Feature Engineering~~

Combination of Cols \rightarrow Ranks \rightarrow How \rightarrow M.C.

④ ~~Productivity~~ \rightarrow ~~handling Sanity of Models~~
~~when we enter data~~





We will need more data → Make the predict effectively.

Some assumptions / Inductive Bias !!!

- ① Multicollinearity
- ② Homoscedasticity
- ③ Linearity
- ④ Normal Distribution of Residuals

$$y = \underbrace{m_1 x_1}_{\text{Slope}} + \underbrace{m_2 x_2 + c}_{\text{Intercept}} + \epsilon$$

How much variable will affect the target.
 Slope Intercept - y

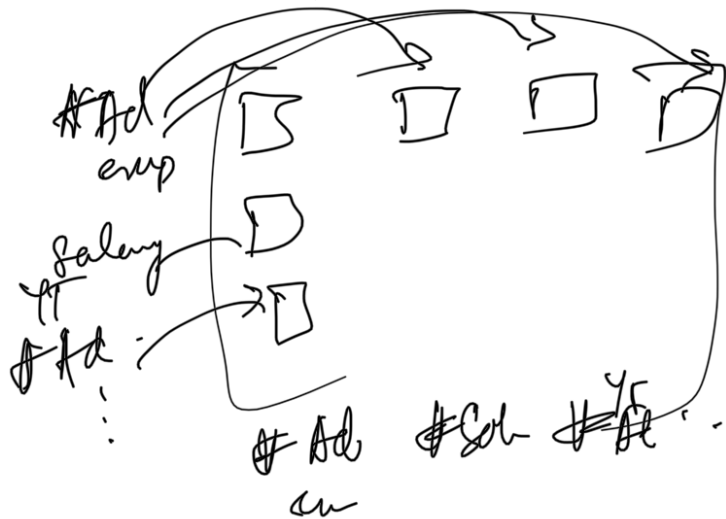
#AD expenditure x_1 → 0.86 ↑

Youtube Ad expenditure x_2 → 0.39 ↑

Salary

$$y = m_1 x_1 + m_2 x_2 + \dots + c$$

* Where there is multicollinearity the scale of the coefficients tend to change & the computation for becomes unreliable



Variable $r^2 = \frac{SSR}{SS}$ Error is explained by the Relationship Reg line

out of the total $x_1, x_2, x_3, x_4, x_5, x_6$ Target

Independent Variables
How much inflation of Variance in x_1 can be explained by other variables. r^2

