

## Project 2.1: Data Cleanup

Make a copy of this document. Complete each section. When you are ready, save your file as a PDF document and submit it here:

<https://classroom.udacity.com/nanodegrees/nd008/parts/8d60a887-d4c1-4b0e-8873-b2f36435eb39/project>

### Step 1: Business and Data Understanding

*Provide an explanation of the key decisions that need to be made. (250 word limit)*

#### Key Decisions:

*Answer these questions*

1. What decisions needs to be made?

ANSWER: A decision needs to be made in which city to establish the 14<sup>th</sup> Pawdacity Store based on the yearly sales data available.

2. What data is needed to inform those decisions?

ANSWER: We need the sales data for existing stores, demographic data of existing and new cities like population, Number of families, Population density etc. We can also consider competitor sales as a metric to shortlist / finalize a new location

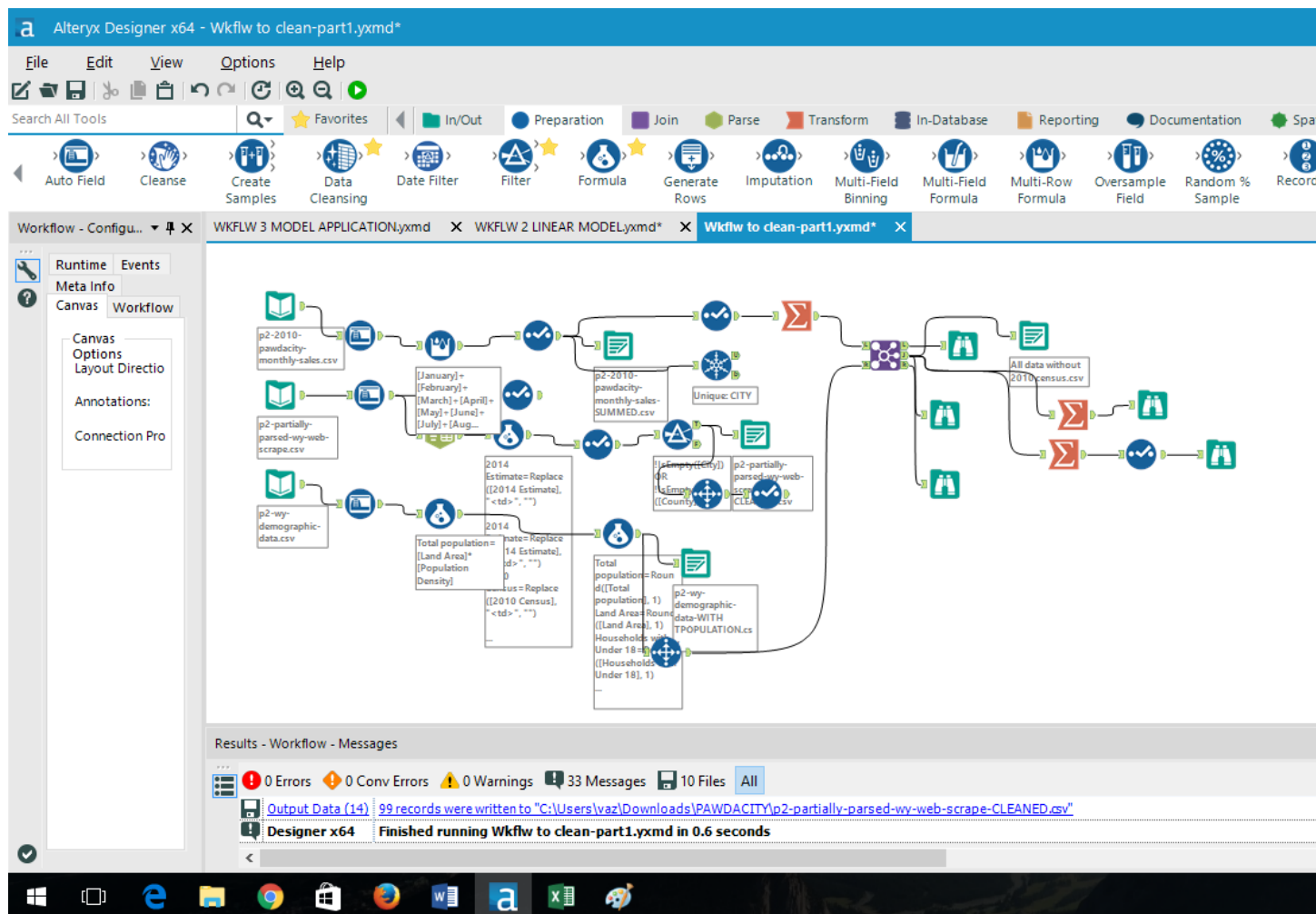
### Step 2: Building the Training Set

*Build your training set given the data provided to you. Your column sums of your dataset should match the sums in the table below.*

*In addition provide the averages on your data set here to help reviewers check your work. You should round up to two decimal places, ex: 1.24*

Column	Sum	Average
Census Population	213,862	19442
Total Pawdacity Sales	3,773,304	343027.64
Households with Under 18	34,064	3096.73
Land Area	33,071	3006.49
Population Density	63	5.71
Total Families	62,653	5695.71

Here is an image of the workflow , I built to achieve the above answers



## Step 3: Dealing with Outliers

*Answer these questions*

Are there any outliers in the training set? Which outlier have you chosen to remove or impute? Because this dataset is a small data set (11 cities), **you should only remove or impute one outlier**. Please explain your reasoning.

**Answer :** Please note I do not have geographical knowledge of the cities provided. I am an Indian national. Therefore, I do not know, which of the given names is a city / town / village etc. Therefore, logical reasoning for considering an outlier has not been applied. I have relied only on numbers.

Based on the Interquartile range calculations, “Cheyenne” seems to be the outlier in question here. The reasoning is as follows:

I calculated the outliers based on the interquartile range method.

I found three possible outliers

CITY	OUTLIER VALUE UNDER THE CATEGORY
CHEYENNE	Population Density & Total Sales
CASPER	Total Population
GILLETTE	Total Sales

To decide the answer, I used an online calculator to calculate z-score (through Grubbs test). This test showed the significance of an outlier:

Based on the results, (Images attached Below), I concluded Cheyenne is the outlier.

Outlier detected? No  
Significance level: 0.05 (two-sided)  
Critical value of Z: 2.35472945013

Your data **(Total population/ Census Population)**

Row	Value	Z	Significant Outlier?
1	4829.	0.75	
2	43460.	2.27	Furthest from the rest, but not a significant outlier ( $P > 0.05$ ).
3	30514.	1.26	
4	5458.	0.70	
5	2671.	0.92	
6	4948.	0.74	
7	15943.	0.12	
8	4331.	0.79	
9	11225.	0.25	
10	18404.	0.31	
11	17008.	0.20	

Outlier detected? Yes  
Significance level: 0.05 (two-sided)  
Critical value of Z: 2.35472945013

Your data **Total Sales**

Row	Value	Z	Significant Outlier?
1	185328.	0.74	
2	317736.	0.12	
3	917892.	2.69	Significant outlier. $P < 0.05$
4	218376.	0.58	
5	208008.	0.63	
6	283824.	0.28	
7	543132.	0.94	
8	233928.	0.51	
9	303264.	0.19	
10	253584.	0.42	
11	308232.	0.16	

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Outlier detected? Yes  
Significance level: 0.05 (two-sided)  
Critical value of Z: 2.35472945013

Your data **(POPULATION DENSITY)**

Row	Value	Z	Significant Outlier?
1	2.	0.65	
2	11.	0.92	
3	20.	2.49	Significant outlier. $P < 0.05$
4	2.	0.65	
5	1.	0.83	
6	5.	0.13	
7	6.	0.05	
8	2.	0.65	
9	2.	0.65	
10	3.	0.48	
11	9.	0.57	

Based on the above identification of Cheyenne as the outlier, it is best to remove the city from the dataset . Imputation of data is not an option here at all, as complete data is available, there are no missing values as such and as we are predicting sales and the presence of an outlier will skew the further predictions we will make based on this dataset.

### Before you Submit

Please check your answers against the requirements of the project dictated by the [rubric](#) here. Reviewers will use this rubric to grade your project.