Assignment Module 8 + 9

For this assignment, you'll be using the lemons dataset, which is a subset of the dataset used for a Kaggle competition described here: https://www.kaggle.com/c/DontGetKicked/data. Your job is to predict which cars are most likely to be lemons.

Complete the following steps.

- 1. Calculate the proportion of lemons in the training dataset using the IsBadBuy variable.
- 2. Calculate the proportion of lemons by Make.
- 3. Now, predict the probability of being a lemon using a linear model $(Im(y\sim x),$ with covariates of your choosing from the training dataset.
- 4. Make predictions from the linear model.
- 5. Now, predict the probability of being a lemon using a logistic regression (glm(y~x,family=binomial(link="logit"))), again using covariates of your choosing.
- 6. Make predictions from the logit model. Make sure these are probabilities.
- 7. Create a confusion matrix from your linear model and your logit model.
- 8. Plot the probability of a car being a bad buy by make.
- 9. Create a table that shows the probability of a car being a bad buy by make.

Bonus: Create a heatmap of the probability of a car being a bad buy by make and acquisition type.

Bonus: Create a decision tree to predict whether a car is a bad buy. Compare the results with logistic model.