

Correlation between the independent data

$$\text{Total Sqft} = F_1 \text{ Sqft} + F_2 \text{ Sqft} + \text{Underg Sqft}$$

↓
Keep Total Sqft or keep 3 column
Multi Collinearity

Polynomial regression creates many new features

$$x_i \rightarrow x_i^2, x_i^3$$

If duplicates or redundant, will Py remove them?

No, Not remove anything

Polynomial

Multiplicities
↓

Problems of Multi Collinearity

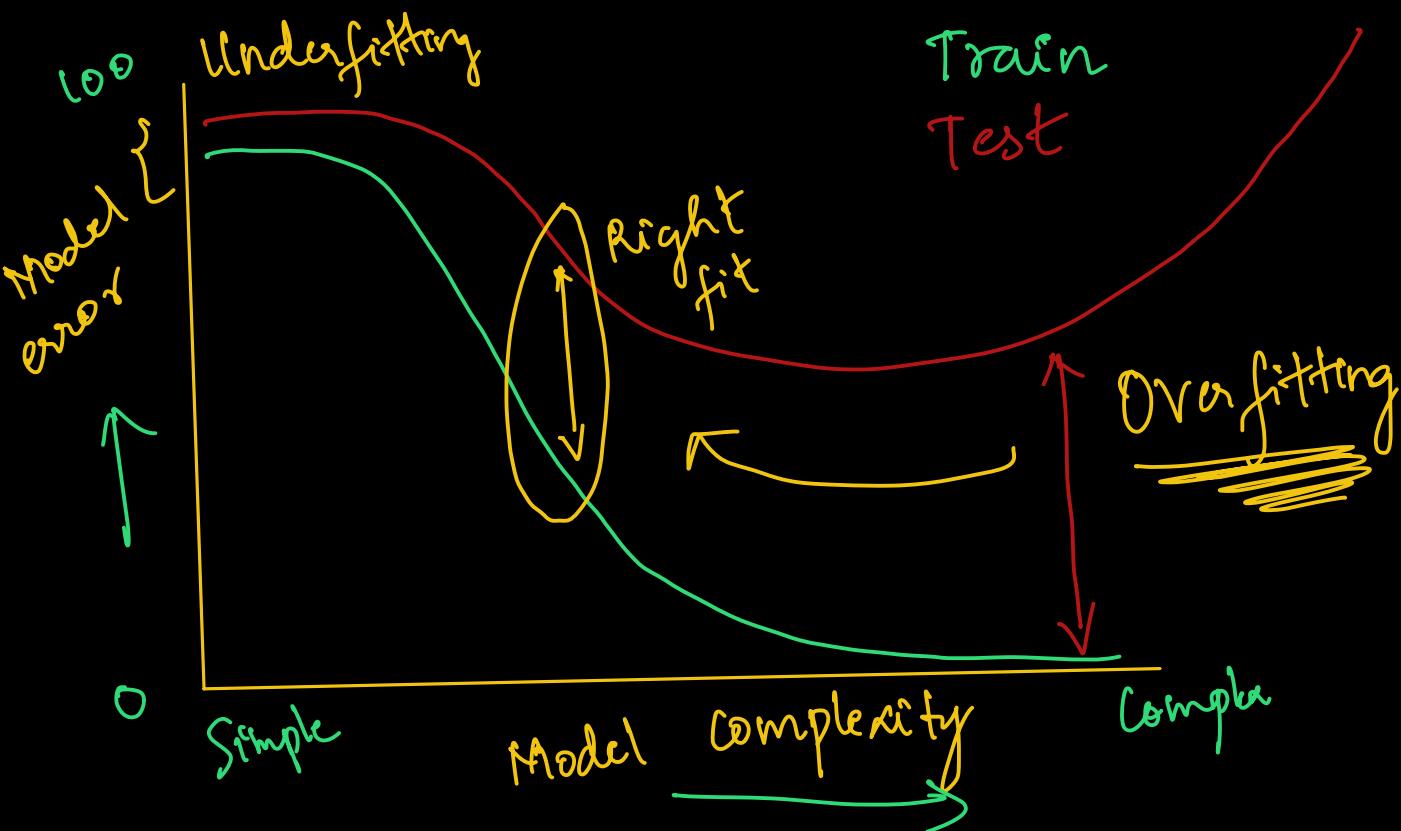
1. unstable Coefficients
2. large swing in the Coefficient values
3. inflated variance

4. Poor model generalization

Linear Regression + Polynomial features



Regularization!



Overfitting

Co-efficients → high ↴



Gradient descent

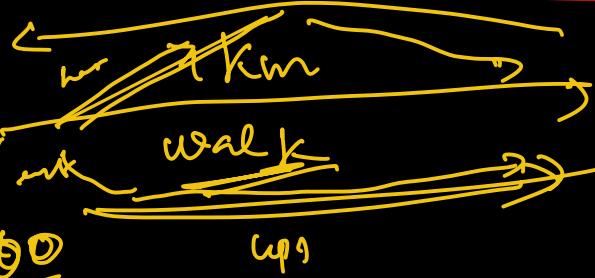
{ tend the co-efficient + intercept
Constraint → cost function ↓ minimal } linear regression

Regularization

{ find the co-efficient + intercept
constraint → cost function ↓ minimal
Penalty factor → MSE + Co-efficient ↓ minimal }

Shopping

\$ 500



Home ✓

Shop → monthly



Multiple Products



Sugars, Rice, Wheat, Vegetables, Stationery
 ↓ + | |
 5kg | corn | corn | 5kg
 ↓ long | long | long

5kg
 ↓
 Penalize
 If
 Sugar + Rice + Wheat
 1kg 2kg 1kg
 carry and walk

Vegetable 1kg
 1kg
 Only

$$1 + 2 + 1 + 1 + 2$$

7kg

Car → driving

↓
 { 150 N/m 200 N/m }
 f → 300 N
 N → 200 N/m

Max stress broken

Penalty ↗

$$\text{Cost function} = \frac{\sum (y - (\beta_0 + \beta_1 x))^2}{n} \quad | \quad LR$$

Regularization

$$\text{Cost function} = \frac{\sum (y - (\beta_0 + \beta_1 x))^2}{n} + \lambda \sum (\beta_i^2)$$

$\lambda = 0.1$
 $\lambda = 1$
 Penalty factor

1. Ridge Regression
2. Lasso Regression
3. Elastic Net Regression

Ridge Regression L²

$$\text{Cost function} = \frac{\sum (y - (\beta_0 + \beta_1 x))^2}{n} + \lambda \sum_{i=0}^n (\beta_i^2)$$

↓
Shrink all the coeff
don't make anything

2. Lasso Regression L1 MSE

Cost function = $\left[\frac{1}{n} \sum (y - (\beta_0 + \beta_1 x))^2 + \lambda \sum_{i=0}^n |\beta_i| \right]$

$$\lambda \sum_{i=0}^n |\beta_i|$$

shrink all the Coeff
+ makes unimportant
coeff zero

3. Elastic Net

Cost func = $\left[\frac{1}{n} \sum (y - (\beta_0 + \beta_1 x))^2 + \lambda \left[(\alpha) \sum |\beta| + (1-\alpha) \sum \beta^2 \right] \right]$

Gradient Descent

Cost function = MSE

→ find m and b

MSE ↓ minimal

Derivative

$$y = 2x^2 + 2x + 5$$

What is value of x where y is minimum

↳ Derivative

$$\begin{aligned} y &= 2x^2 + 2x + 5 + [1x + 3] \\ &= 2x^2 + 3x + 8 \end{aligned}$$

$$MSE = \frac{1}{n} \sum (y - \hat{y})^2$$

$$\hat{y} = \beta_0 + \beta_1 x$$

Partial
Derivative

$$MSE = \frac{1}{n} \sum (y - \hat{y})^2 + \left(\sum (\beta_0^2 + \beta_1^2) \right)$$

$$\begin{aligned}\beta_0 &= \frac{1000}{50} \\ \beta_1 &= 50\end{aligned}$$

$$+ 10,000 + 2,500$$

$$12,500$$

$$12,500 + 150$$

MSE

