

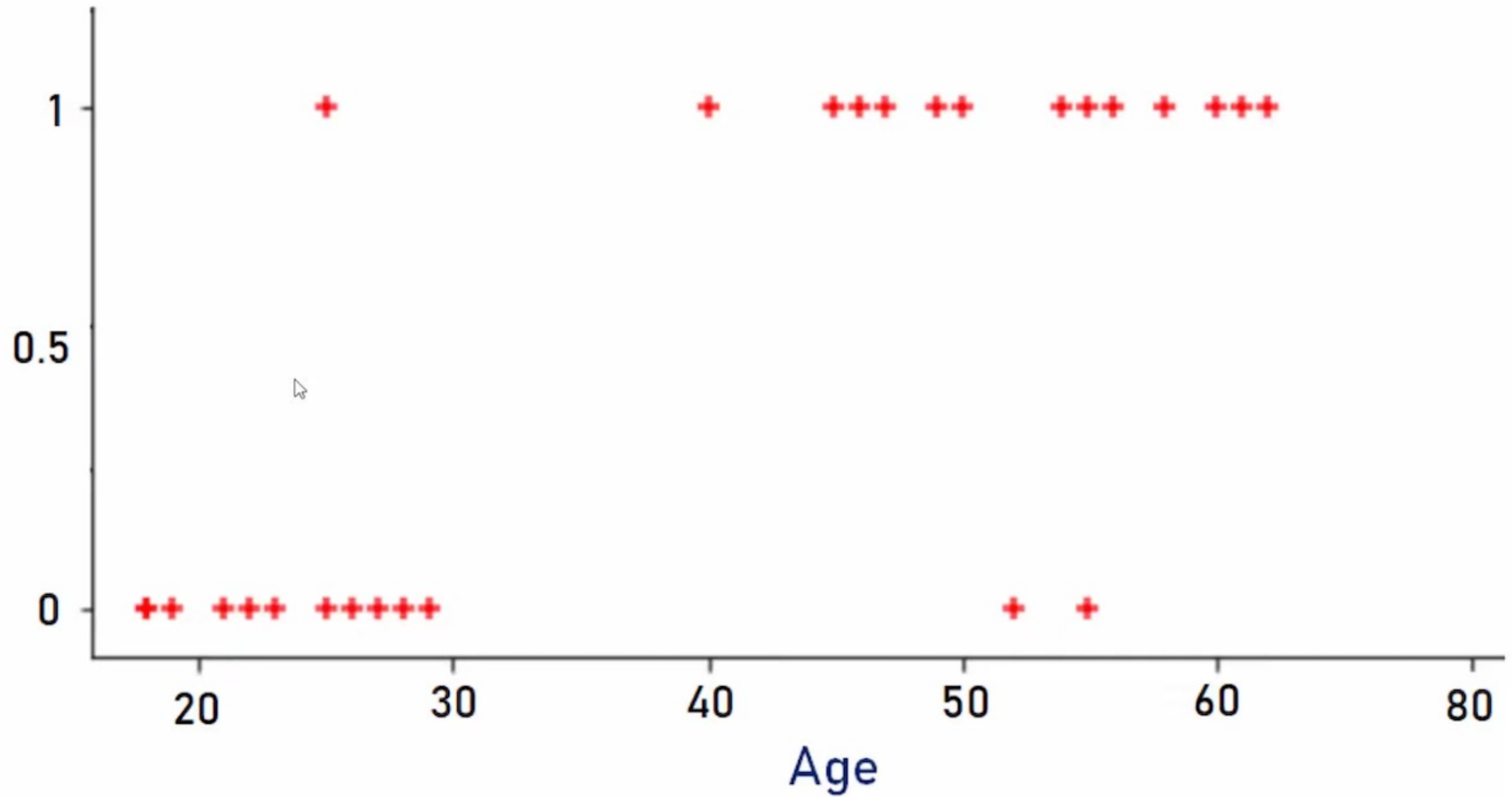
Simple Representation of a Neuron

age	have_insurance
22	0
25	0
47	1
52	0
46	1
56	1
55	0
60	1
62	1
61	1
18	0
28	0
27	0
29	0
49	1

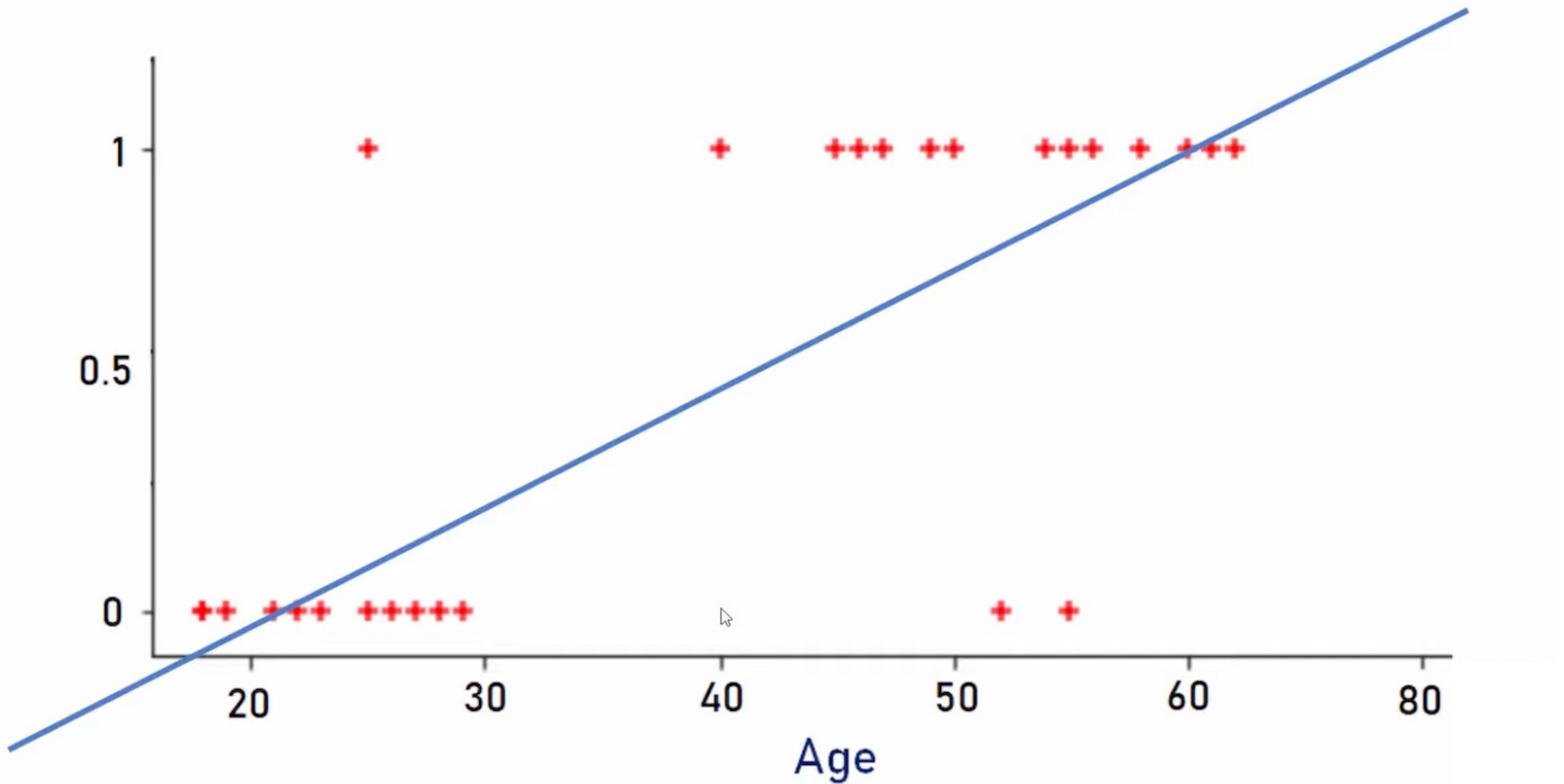
Binary Classification

Given an age of a person, come up with a **function** that can predict if person will buy insurance or not

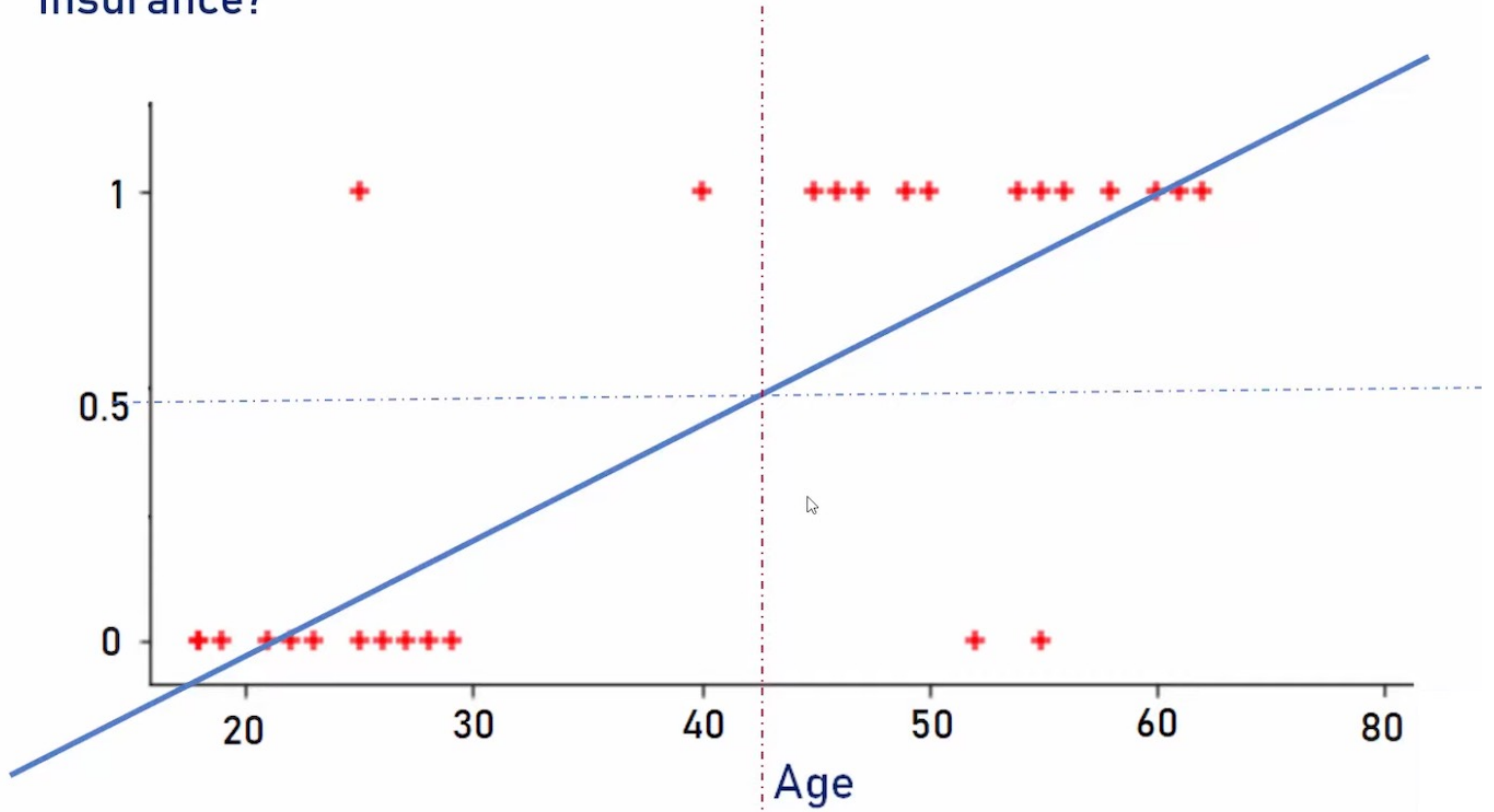
Have
Insurance?



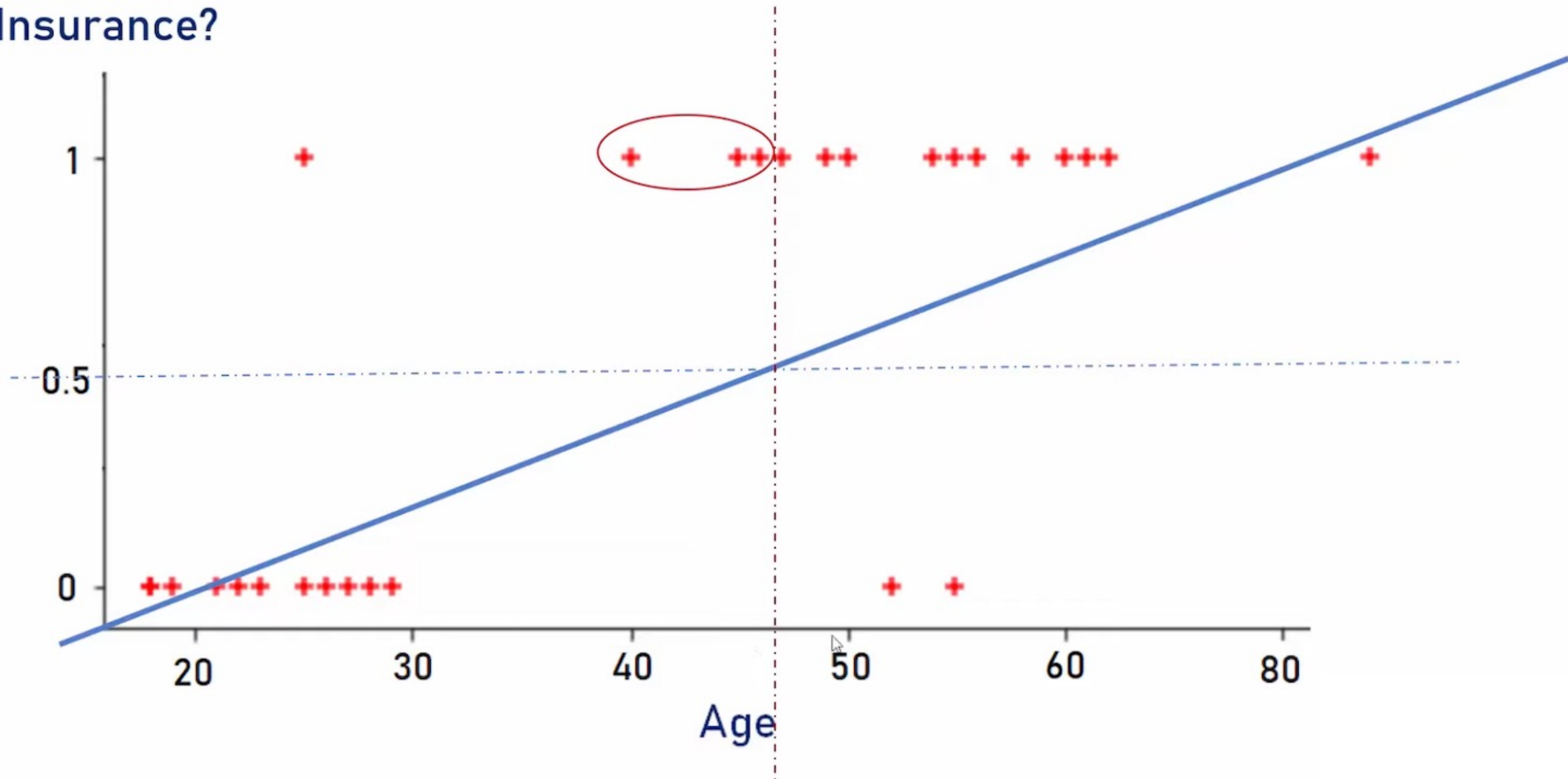
Have
Insurance?



Have
Insurance?

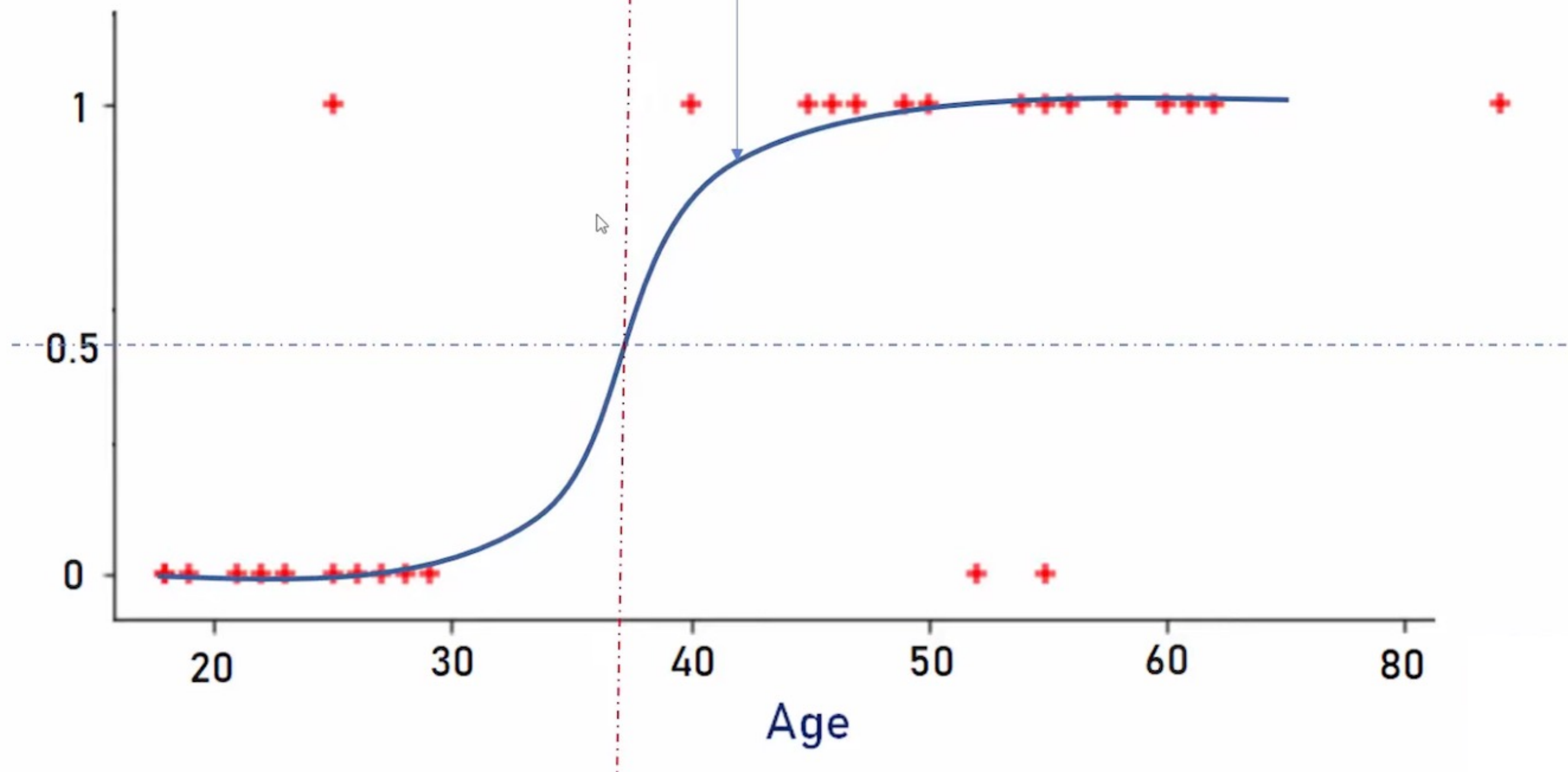


Have
Insurance?



Sigmoid or Logit Function

Have
Insurance?



$$\textit{sigmoid}(z) = \frac{1}{1 + e^{-z}}$$

e = Euler's number ~ 2.71828

$$\textit{sigmoid}(200) = \frac{1}{1 + 2.71^{-200}} = \text{almost close to } 1$$

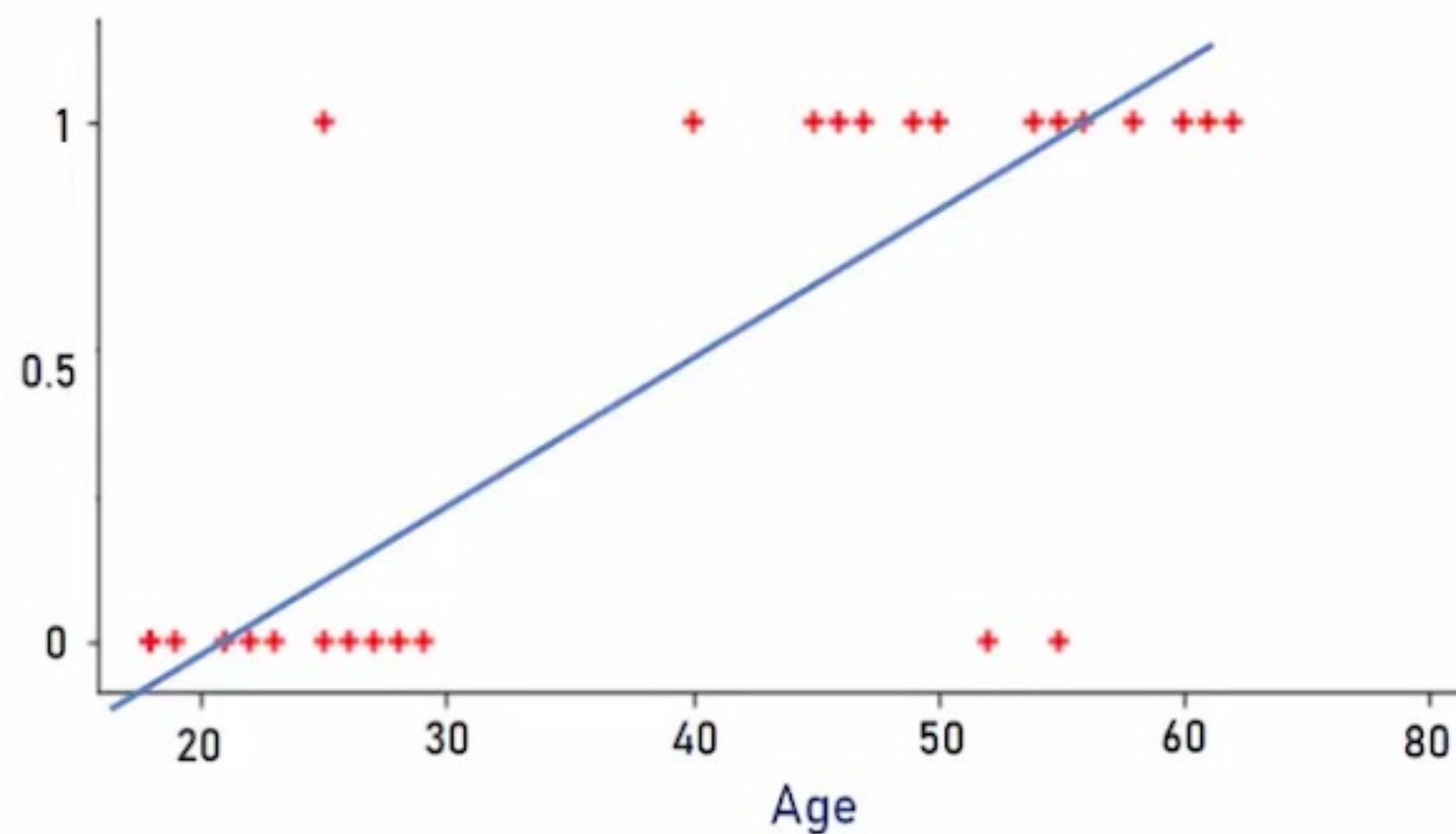
$$\textit{sigmoid}(-200) = \frac{1}{1 + 2.71^{200}} = \text{almost close to } 0$$

Sigmoid function converts input into range 0 to 1

Step 1

$$y = m * x + b$$

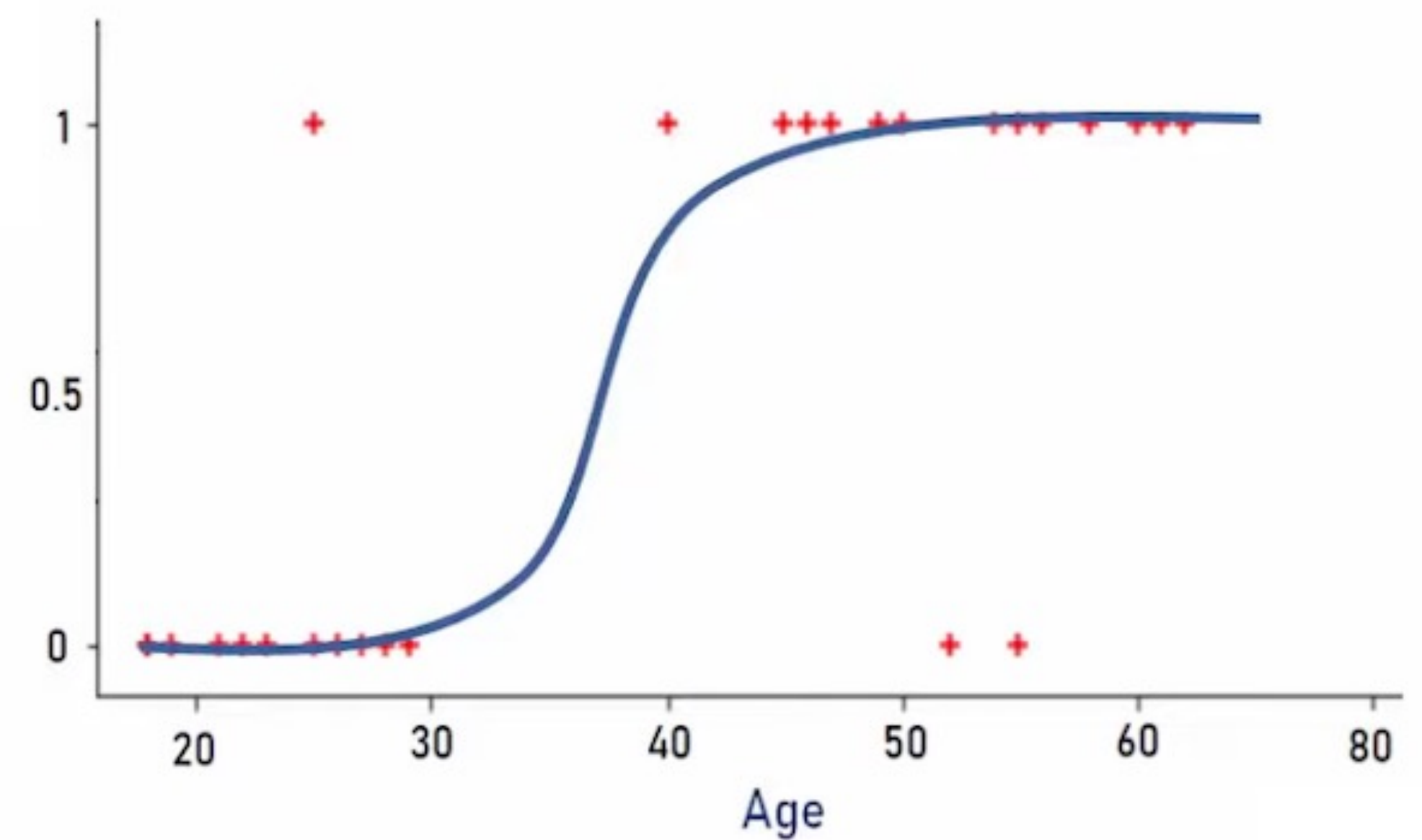
Age



Step 2

$$z = \frac{1}{1 + e^{-y}}$$

If person will buy insurance



$$y = 0.042 * x - 1.53$$

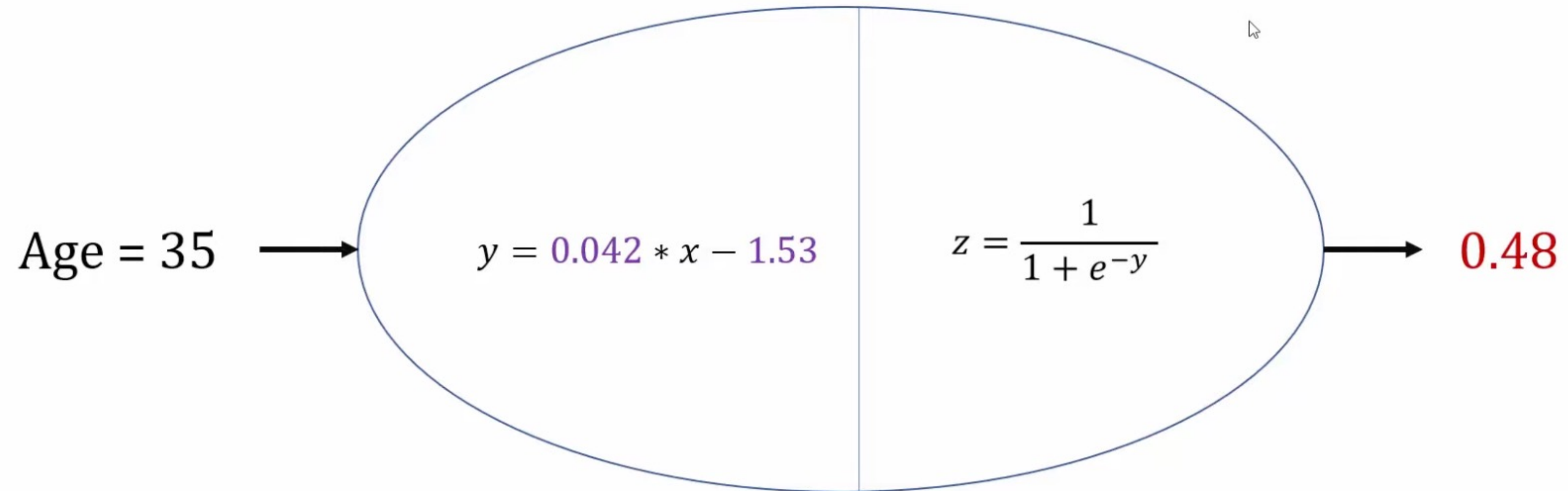
 Age


$$y = 0.042 * x - 1.53$$

$$z = \frac{1}{1 + e^{-y}}$$

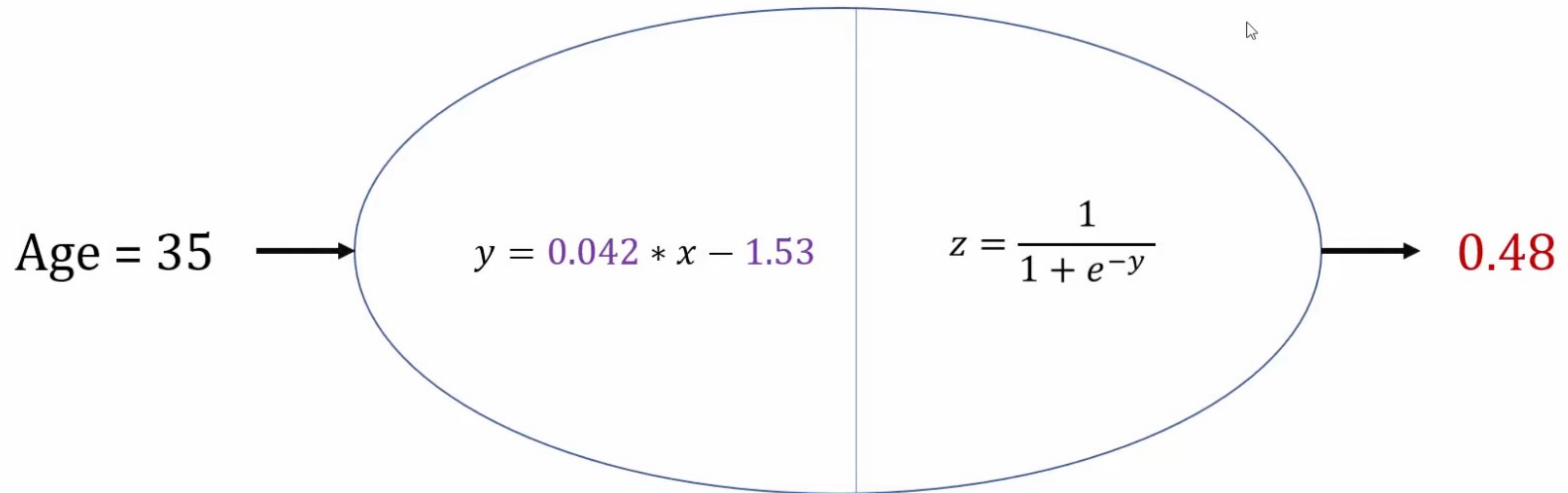
value < 0.5 = **person will not buy insurance**

value >= 0.5 = **person will buy insurance**



value < 0.5 = person will not buy insurance

value >= 0.5 = person **will** buy insurance



$$y = 0.042 * x - 1.53$$

Age

$$y = 0.042 * x_1 + 0.008 * x_2 + 0.2 * x_3 - 1.53$$

Age Income Education

$$y = w_1 * x_1 + w_2 * x_2 + w_3 * x_3 + b$$

$$y = \sum_{i=0}^n w^i x^i + b$$

