

Assignment-based Subjective Questions

1. From your analysis of the categorical variables from the dataset, what could you infer about their effect on the dependent variable?

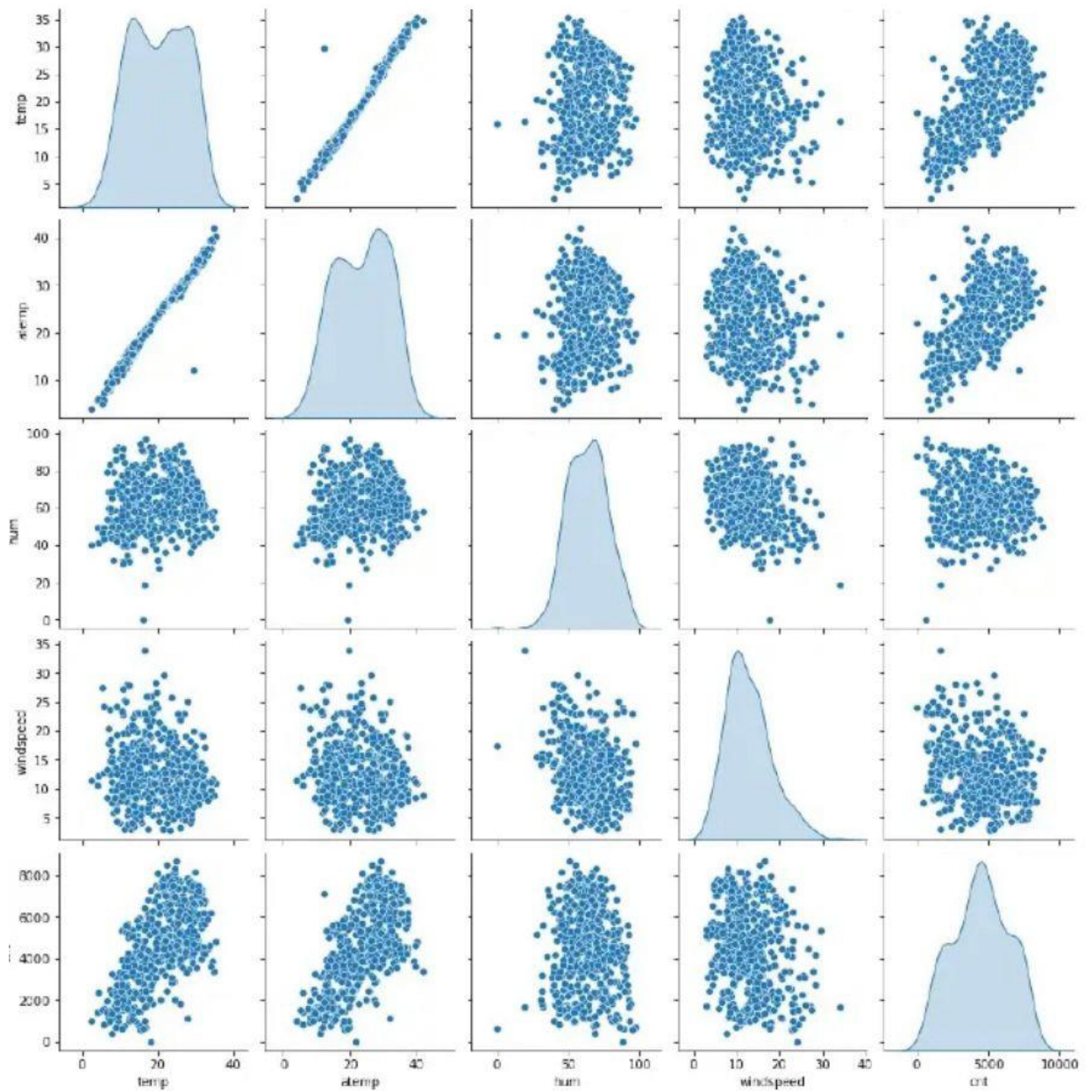
Season Weather Situation holiday ,month, Working day, and weekday were the categorical variables in the dataset. A boxplot was used to visualise these. These variables influenced our dependent variable in the following ways:

1. Season: The boxplot revealed that the spring season had the lowest value of ent, while the fall season had the highest value of ent. Summer and winter had ent values that were in the middle.
2. Weather Situation: When there is heavy rain/snow, there are no users, indicating that the weather is extremely unfavourable. The highest count was observed when the weather forecast was 'Clear, Partly Cloudy.'
- 3 .Holiday: Rentals were found to be lower during the holidays.
- 4.Month: September had the most rentals, while December had the fewest. This observation is comparable to the one made in weathersit. The weather in December is typically cold and snowy.
5. Weekday: Weekends saw a significant increase in book hiring compared to weekdays.
- 6.Working day: It had little effect on the dependent variable.

2. Why is it important to use drop_first=True during dummy variable creation?

Your dummy variables will be correlated if you don't remove the first column (redundant). This may have a negative impact on some models, and the effect is amplified when the cardinality is low. Iterative models, for example, may have difficulty converging, and lists of variable importances may be distorted. Another argument is that having all dummy variables results in multicollinearity between them. We lose one column to keep everything under control.

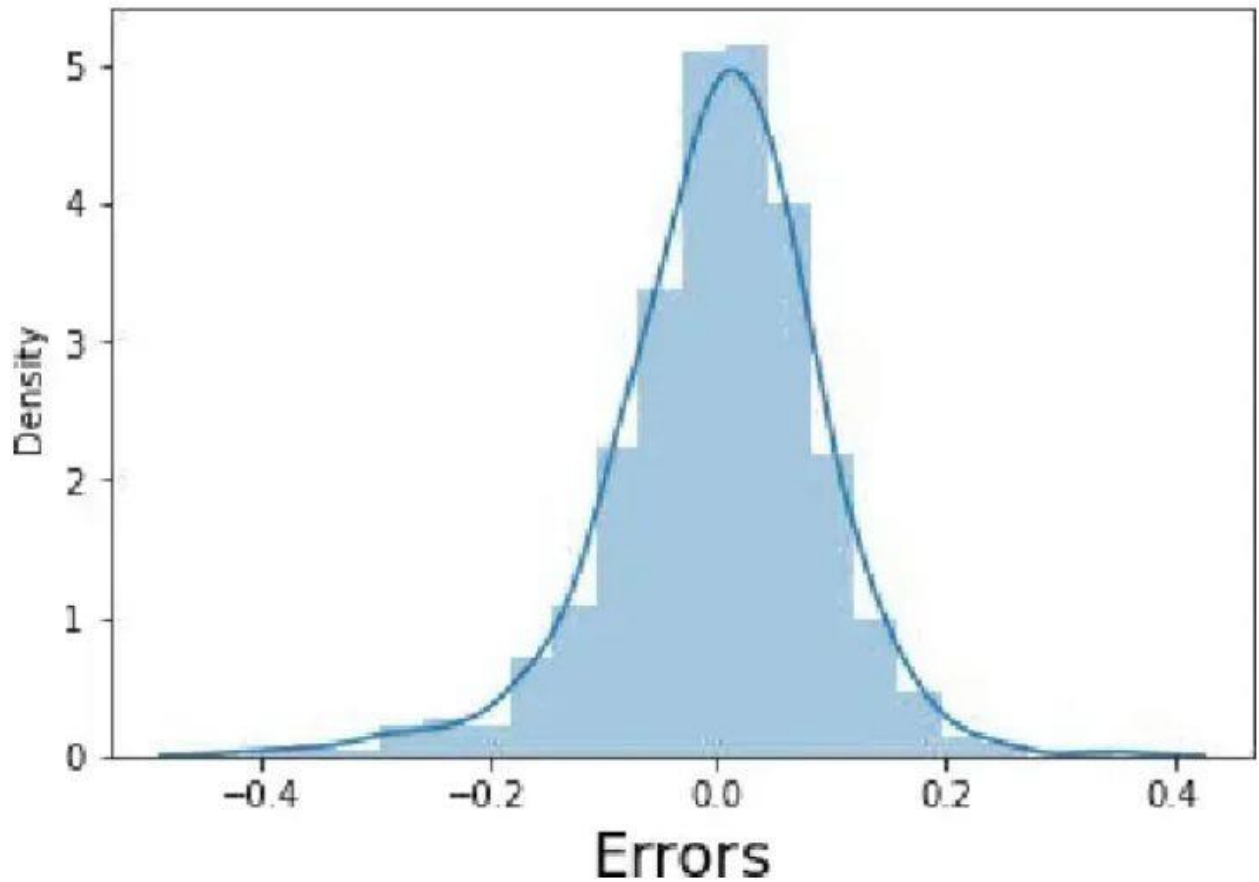
3. Looking at the pair-plot among the numerical variables, which one has the highest correlation with the target variable?



"temp" and "temp" are the two numerical variables which are highly correlated with the target variable (cnt)

4. How did you validate the assumptions of Linear Regression after building the model on the training set?

Error Terms



The distribution of residuals should be normal and centred around 0. (The mean is 0).

We test this residuals assumption by producing a distplot of residuals to see if they follow a normal distribution or not.

The residuals are scattered around mean = 0 as seen in the diagram above.

5. Based on the final model, which are the top 3 features contributing significantly towards explaining the demand of the shared bikes?

The top three predictor variables that influence bike booking, according to our final Model, are:
Temperature(temp) : With a coefficient of 0.5173, a unit increase in the temp variable increases the number of bike rentals by 0.5173 units.

Weather Situation 3 (weathersit_3) : With a coefficient of '-0.2828,' a unit increase in the Weathersit3 variable reduces the number of bike hires by 0.2828 units as compared to Weathersit 1.

Where weathersit 3 = Light Snow, Light Rain + Thunderstorm + Scattered clouds, Light Rain + Scattered clouds

Year (yr) : With a coefficient of 0.2324, a unit increase in the yr variable increases the number of bike rentals by 0.2324.

General Subjective Questions

1. Explain the linear regression algorithm in detail.

Linear Regression is a type of supervised Machine Learning algorithm that is used for the prediction of numeric values. Linear Regression is the most basic form of regression analysis. Regression is the most commonly used predictive analysis model. Linear regression is based on the popular equation

$$y = mx + c$$

It assumes that there is a linear relationship between the dependent variable(y) and the predictors/independent variable(x). In regression, we calculate the best fit line which describes the relationship between the independent and dependent variable. Regression is performed when the dependent variable is of continuous data type and Predictors or independent variables could be of any data type like continuous, nominal/categorical etc. Regression method tries to find the best fit line which shows the relationship between the dependent variable and predictors with least error. In regression, the output/dependent variable is the function of an independent variable and the coefficient and the error term.

Regression is broadly divided into simple linear regression and multiple linear regression.

Simple Linear Regression: SLR is used when the dependent variable is predicted using only one independent variable.

2. Multiple Linear Regression :ML is used when the dependent variable is predicted using multiple independent variables.

The equation for MLR will be:

$$V_i = B_0 + B_1x_1 + B_2x_2 + \dots + B_px_p$$

B_1 = coefficient for X_1 variable

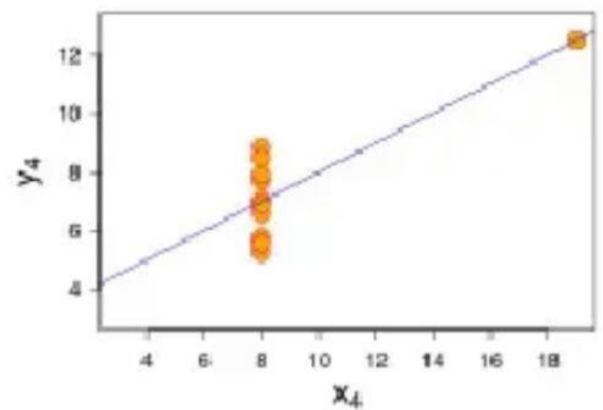
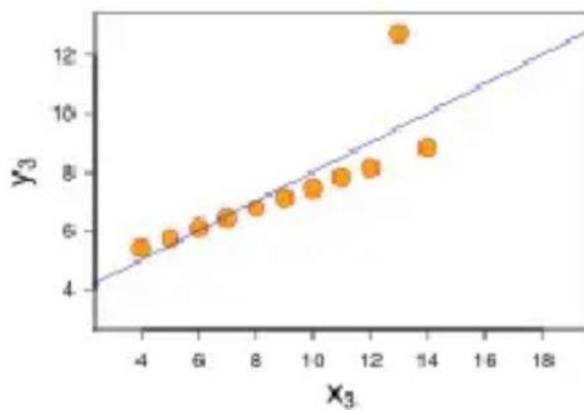
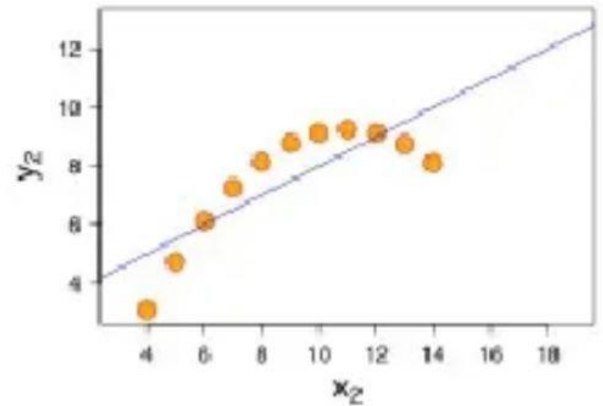
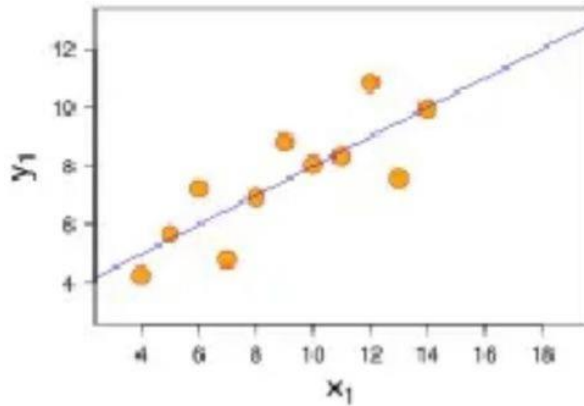
B_2 = coefficient for X_2 variable

B_3 = coefficient for X_3 variable and so on...

B_0 is the intercept (constant term).

2. Explain the Anscombe's quartet in detail.

Anscombe's Quartet was developed by statistician Francis Anscombe. It includes four data sets that have almost identical statistical features, but they have a very different distribution and look totally different when plotted on a graph. It was developed to emphasize both the importance of graphing data before analysing it and the effect of outliers and other influential observations on



Statistical Properties:

The first scatter plot (top left) appears to be a simple linear relationship.

The second graph (top right) is not distributed normally; while there is a relation between them it's not linear.

- In the third graph (bottom left), the distribution is linear, but should have a different regression line. The calculated regression is offset by the one outlier which exerts enough influence to lower the correlation coefficient from 1 to 0.816.
- Finally, the fourth graph (bottom right) shows an example when one high-leverage point is enough to produce a high correlation coefficient, even though the other data points do not indicate any relationship between the variables.

3. What is Pearson's R?

Pearson's r is a numerical representation of the strength of the linear relationship between the variables. Its value ranges from -1 to +1. It depicts the linear relationship of two sets of data. In layman's terms, it asks if we can draw a line graph to represent the data.

$r = 1$ means the data is perfectly linear with a positive slope

$r = -1$ means the data is perfectly linear with a negative slope

$r = 0$ means there is no linear association

4. What is scaling? Why is scaling performed? What is the difference between normalized scaling and standardized scaling?

Feature scaling is a method used to normalize or standardize the range of independent variables or features of data. It is performed during the data preprocessing stage to deal with varying values in the dataset. If feature scaling is not done, then a machine learning algorithm tends to weigh greater values, higher and consider smaller values as the lower values, irrespective of the units of the values.

- Normalization is generally used when you know that the distribution of your data does not follow a Gaussian distribution. This can be useful in algorithms that do not assume any distribution of the data like K- Nearest Neighbours and Neural Networks.

Standardization, on the other hand, can be helpful in cases where the data follows a Gaussian distribution. However, this does not have to be necessarily true. Also, unlike normalization, standardization does not have a bounding range. So, even if you have outliers in your data, they will not be affected by standardization.

5. You might have observed that sometimes the value of VIF is infinite. Why does this happen?

VIF - the variance inflation factor: - The VIF indicates how much collinearity has increased the

variance of the coefficient estimate. (VIF) is equal to $1/(1-R_i^2)$. VIF = infinity if there is perfect

correlation. Where R_i^2 denotes the R-square value of the independent variable for which we want to see how well it is explained by other independent variables. - If an independent variable can be completely described by other independent variables, it has perfect correlation and has an R-squared

value of 1. As a result, $VIF = 1/(1-1)$ provides $VIF = 1/0$, which is "infinity."

6. What is a Q-Q plot? Explain the use and importance of a Q-Q plot in linear regression.

The quantiles of the first data set are plotted against the quantiles of the second data set in a q-q graphic. It's a tool for comparing the shapes of different distributions. A scatterplot generated by plotting two sets of quantiles against each other is known as a Q-Q plot.

Because both sets of quantiles came from the same distribution, the points should form a line.

That's a fairly straight line.