#In this assignment, we will work with the Carseats
#data which is included in the ISLR library which you
#installed last time. We will formulate a data science model
#the number of predictors in the dataset. Don't forget to
#create a temporary version of this dataset to work
#with as we did in lecture.

######import installed packages#######
library(ISLR)
temporary version of the dataset
carseat_df <- Carseats
#column Names
colnames(carseat_df)

A data frame with 400 observations on the following 11 variables. That are given below:

#

- # 1)Sales-Unit sales (in thousands) at each location
- # 2)CompPrice-Price charged by competitor at each location
- # 3)Advertising-Local advertising budget for company at each location (in thousands of dollars)
- # 4)Population-Population size in region (in thousands)
- # 5)Price-Price company charges for car seats at each site
- # 6)ShelveLoc-A factor with levels Bad, Good and Medium indicating the quality of the shelving location for the car seats at each site
- # 7)Age-Average age of the local population
- # 8)Education-Education level at each location
- # 9)Urban-A factor with levels No and Yes to indicate whether the store is in an urban or rural location
- # 10)US-A factor with levels No and Yes to indicate whether the store is in the US or not
- # 11)Income-Community income level (in thousands of dollars)

#

#(Q1) What are the predictors in the dataset?

#(Q2)Use the command "str" dataset, where dataset refers to the name of the copy #of the dataframe you created. What are the datatypes of thepredictor variables? #As mentioned above the temporary copy of the dataframe is -carseat_df #str function shows the data type of the dataframe. This can be extremely useful #when we are not sure of all the data that is within our data frame and to get a quick #look at the data and its structure.

str(carseat_df)

#Q3) Create a multiple regression model that predicts Sales.

#here Sales is the target variable and others variable are the predictors ,so

we are doing multiple linear regression so we use all predictors & so we use "." in our code.

Also we use Im mean linear model built in function in R.

lm1 <- lm(Sales~., data = carseat df)</pre>

lm1

#(Q4)Create a summary of this model. What are the summary statistics? Further, #which variables are found to be most significant? summary(lm1)

Residual summary statistics:-#

#The symmetry of the residual distribution. The median should be #close to 0 and in our carseat_df dataframe the median is 0.0211, #as the mean of the residuals is 0,and symmetric distributions #each other in magnitude, yes theyare 0.6636 & -0.6908 respectively. #They would be equal under a symmetric 0 mean distribution. #The max and min should also have similar magnitude. However, #in our case, not holding may indicate an outlier rather than #a symmetry violation.I investigate this further with a boxplot #of the residuals.The code is given below:-

dev.off()#To make Rstudio avoid figure margin error in plot boxplot(lm1['residuals'],main='Boxplot: Residuals',ylab='residual value')

#Conclusion from the box plot Residuals.

#We can see that the median is close to 0.

Further, the 25 and 75 percentile look approximately the #same distance from 0, and the non-outlier min and max also #look about the same distance from 0. All of this is good as #it suggests correct model specification

- #1)Estimates(The intercept tells us that when all the features are at 0,the expected response is the intercept.
- #2)standard errors(The standard error is the standard error of our estimate, which allows us to construct marginal confidence intervals for the estimate of that particular feature.),
- #3)t statistics(it tells us about how far our estimated parameter is from a hypothesized 0 value, scaled by the standard deviation of the estimate)
- #4)p-values(This is the probability value for the individual coefficient).

#1)Residual standard error(It gives the standard deviation of the residuals, and tells us about how large the prediction error is carseat dataset i.e 1.019)

#2)Multiple R-squared: 0.8734 & Adjusted R-squared: 0.8698 (It tells us about how well our model fits the carset data.)

#3)F-statistic: 243.4 on 11 and 388 DF(degree of freedom),p-value: < 2.2e-16

#CompPrice, Price, Age, Education, Income. Advertising

#We have three qualitative predictors in this datasets: #When I used contrast function it converted all qualitative into the #dummy variable as shown below.

contrasts(carseat_df\$ShelveLoc)
contrasts(carseat_df\$US)
contrasts(carseat_df\$Urban)