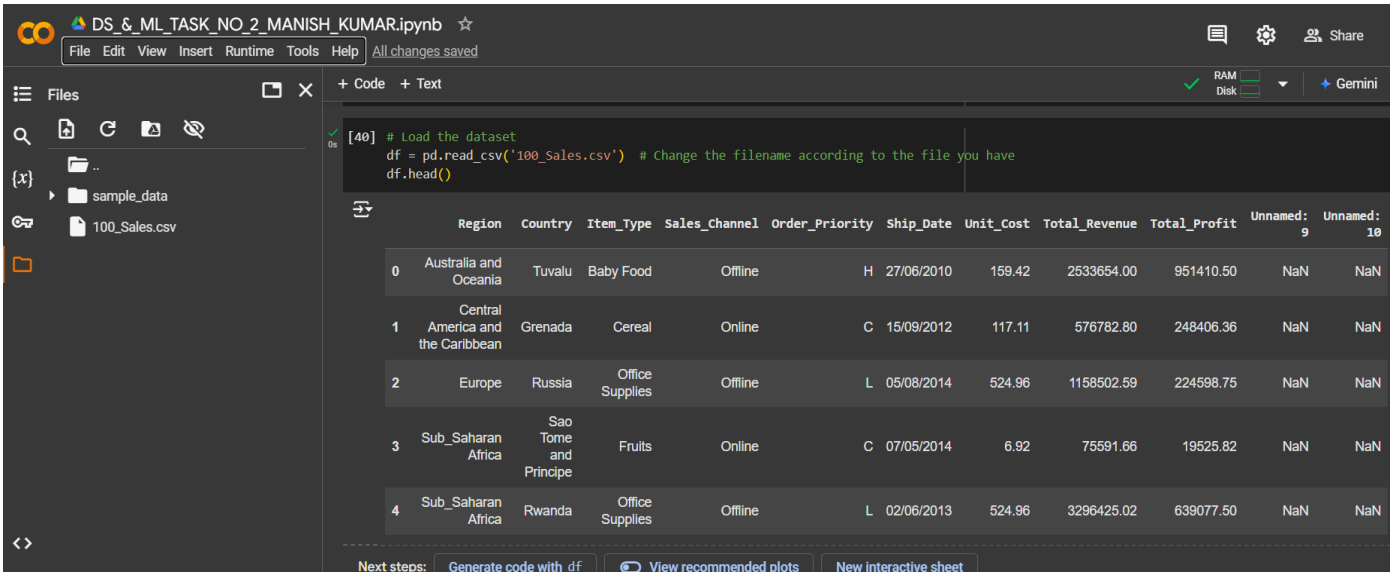
Task 2 Report
Classification with Decision Tree and Random Forest

1. Task Description

- The objective of this task is to apply two machine learning algorithms, Decision Tree and Random Forest, to predict the target variable Total_Revenue in the provided dataset.
- This dataset contains various features such as Region, Country, Item_Type, Unit_Cost, Total_Profit, and others that can influence sales revenue. The task involves several stages, including data preprocessing (handling missing values and encoding categorical variables), feature engineering, and model training.
- We will train both Decision Tree and Random Forest models to predict Total_Revenue and evaluate their performance using appropriate regression metrics like Mean Absolute Error (MAE), Mean Squared Error (MSE), and R-squared (R^2).
- Additionally, model optimization and evaluation will help determine the more accurate model for this prediction task.

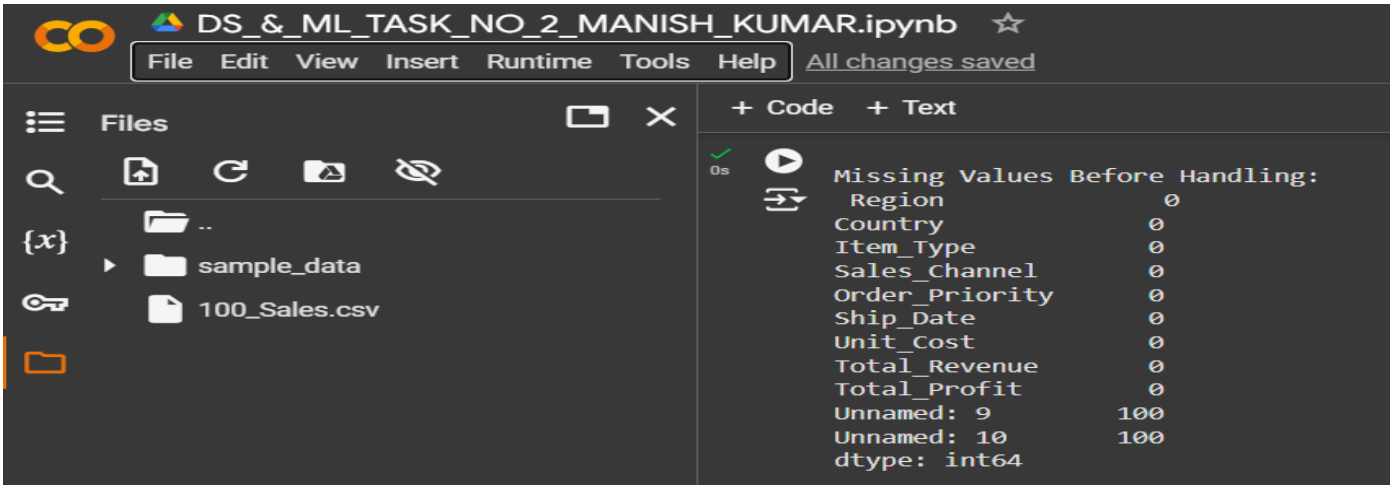
2. Attach Screenshot of Output

- **Dataset Preview:**



	Region	Country	Item_Type	Sales_Channel	Order_Priority	Ship_Date	Unit_Cost	Total_Revenue	Total_Profit	Unnamed: 9	Unnamed: 10
0	Australia and Oceania	Tuvalu	Baby Food	Offline	H	27/06/2010	159.42	2533654.00	951410.50	NaN	NaN
1	Central America and the Caribbean	Grenada	Cereal	Online	C	15/09/2012	117.11	576782.80	248406.36	NaN	NaN
2	Europe	Russia	Office Supplies	Offline	L	05/08/2014	524.96	1158502.59	224598.75	NaN	NaN
3	Sub_Saharan Africa	Sao Tome and Principe	Fruits	Online	C	07/05/2014	6.92	75591.66	19525.82	NaN	NaN
4	Sub_Saharan Africa	Rwanda	Office Supplies	Offline	L	02/06/2013	524.96	3296425.02	639077.50	NaN	NaN

- **Missing values before handling:**



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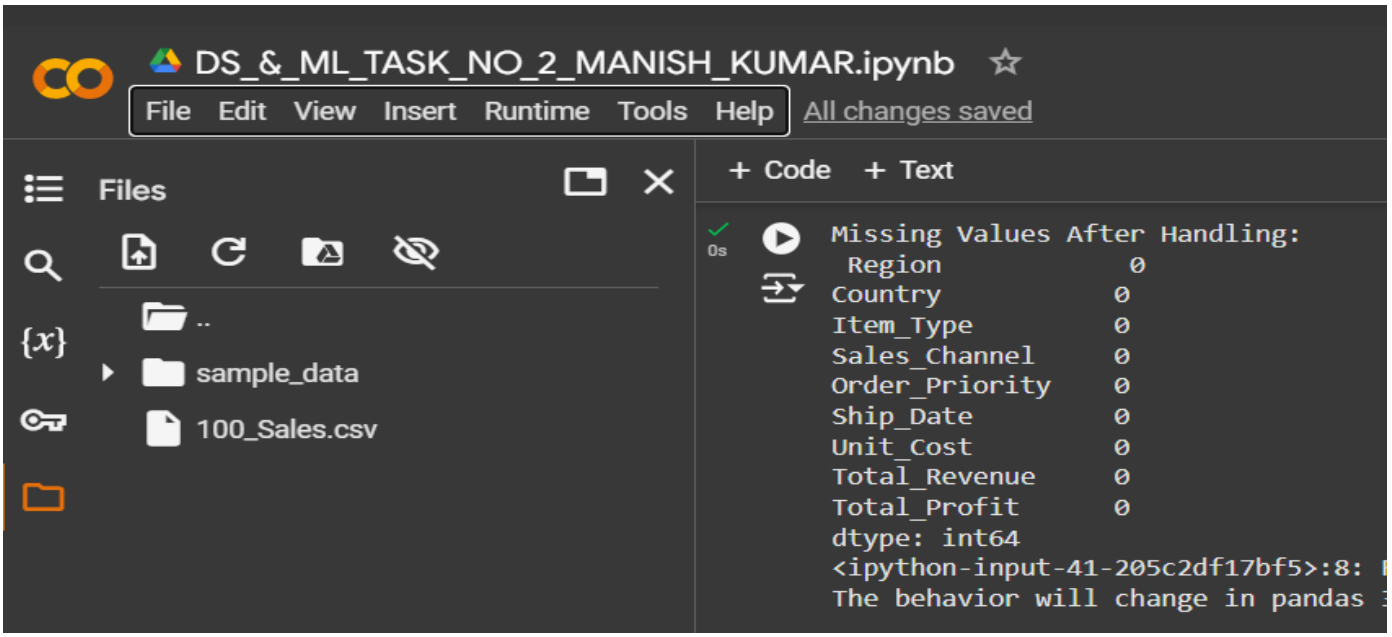
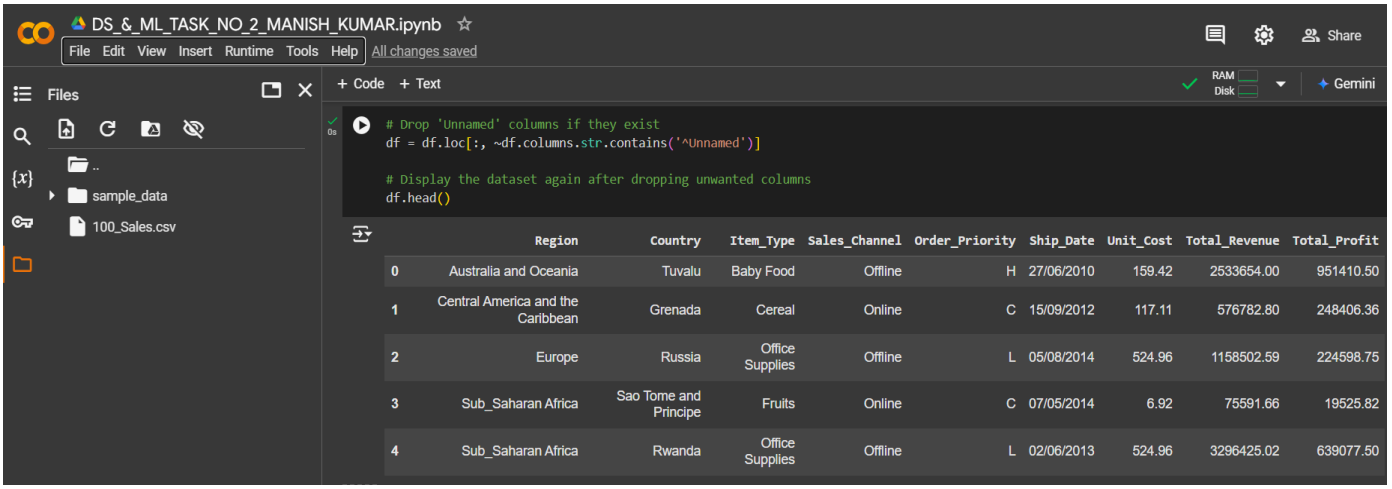
❖ Missing values after handling:

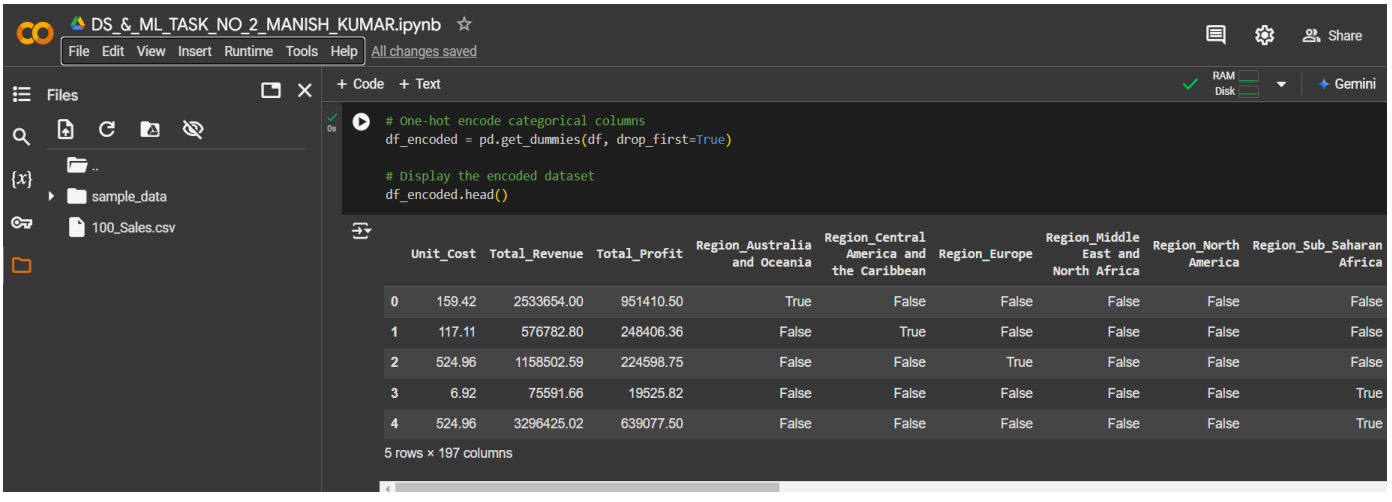


❖ Drop unnamed columns:



	Region	Country	Item_Type	Sales_Channel	Order_Priority	Ship_Date	Unit_Cost	Total_Revenue	Total_Profit
0	Australia and Oceania	Tuvalu	Baby Food	Offline	H	27/06/2010	159.42	2533654.00	951410.50
1	Central America and the Caribbean	Grenada	Cereal	Online	C	15/09/2012	117.11	576782.80	248406.36
2	Europe	Russia	Office Supplies	Offline	L	05/08/2014	524.96	1158502.59	224598.75
3	Sub_Saharan Africa	Sao Tome and Principe	Fruits	Online	C	07/05/2014	6.92	75591.66	19525.82
4	Sub_Saharan Africa	Rwanda	Office Supplies	Offline	L	02/06/2013	524.96	3296425.02	639077.50

❖ Encode categorical columns:



	Unit_Cost	Total_Revenue	Total_Profit	Region_Australia and Oceania	Region_Central America and the Caribbean	Region_Europe	Region_Middle East and North Africa	Region_North America	Region_Sub_Saharan Africa
0	159.42	2533654.00	951410.50	True	False	False	False	False	False
1	117.11	576782.80	248406.36	False	True	False	False	False	False
2	524.96	1158502.59	224598.75	False	False	True	False	False	False
3	6.92	75591.66	19525.82	False	False	False	False	False	True
4	524.96	3296425.02	639077.50	False	False	False	False	False	True

5 rows × 197 columns

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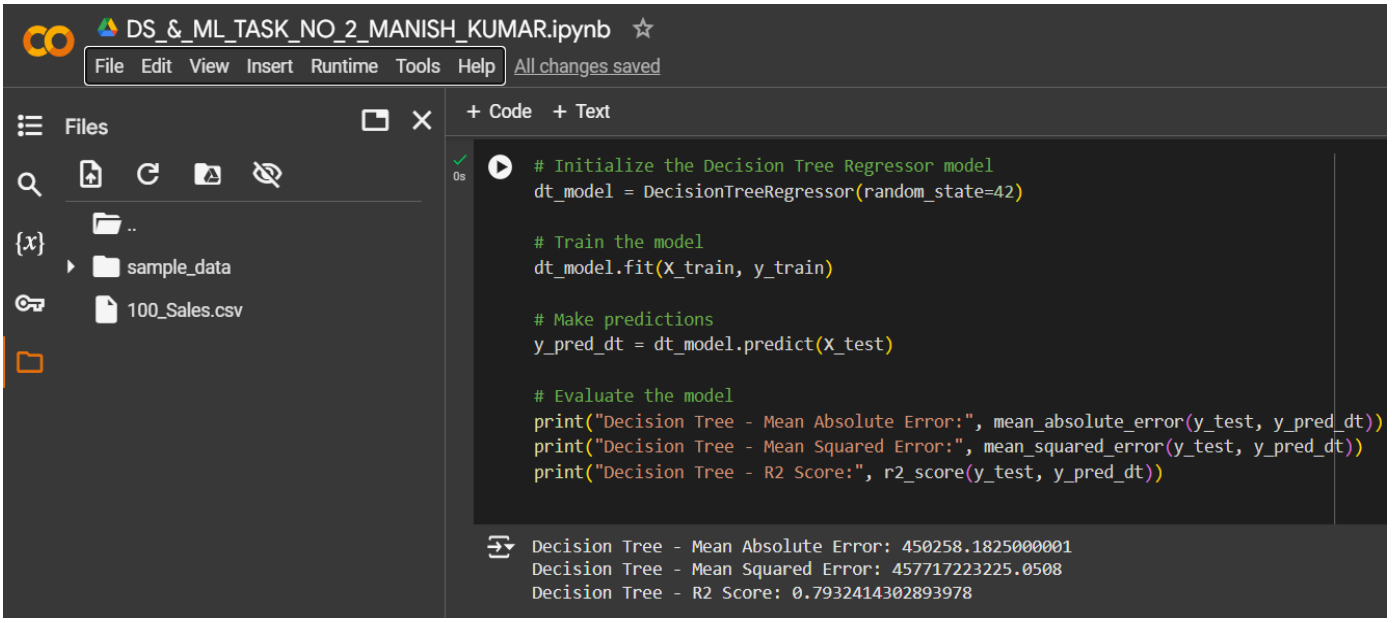
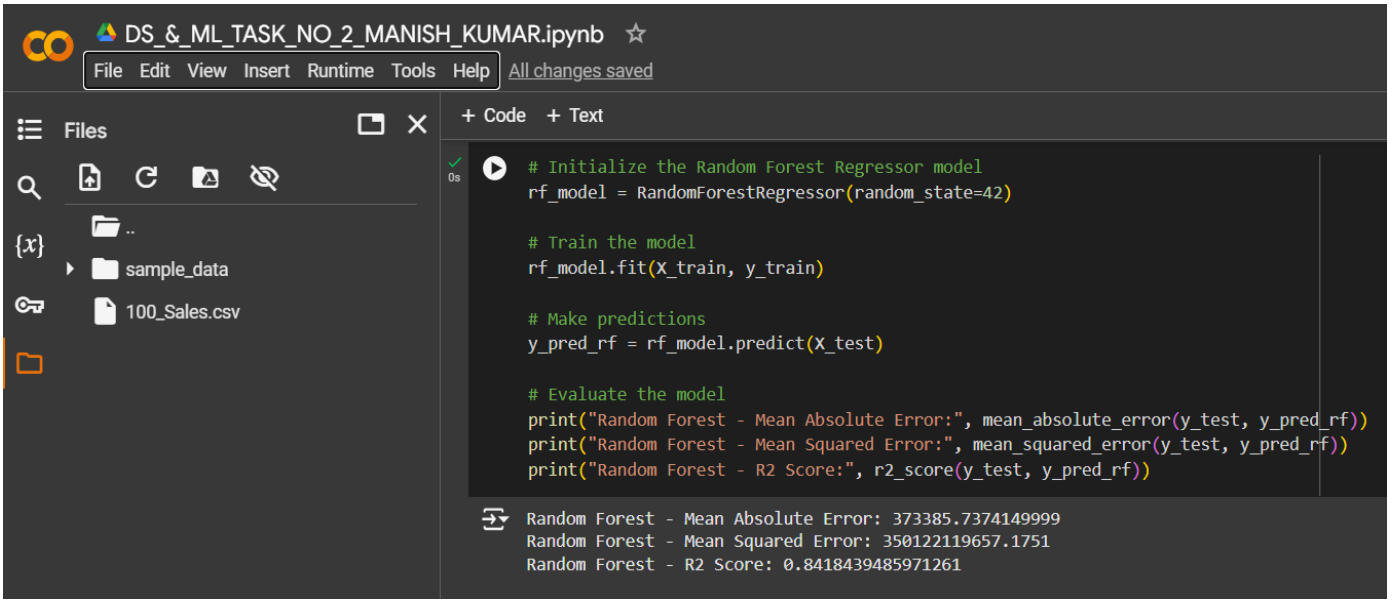
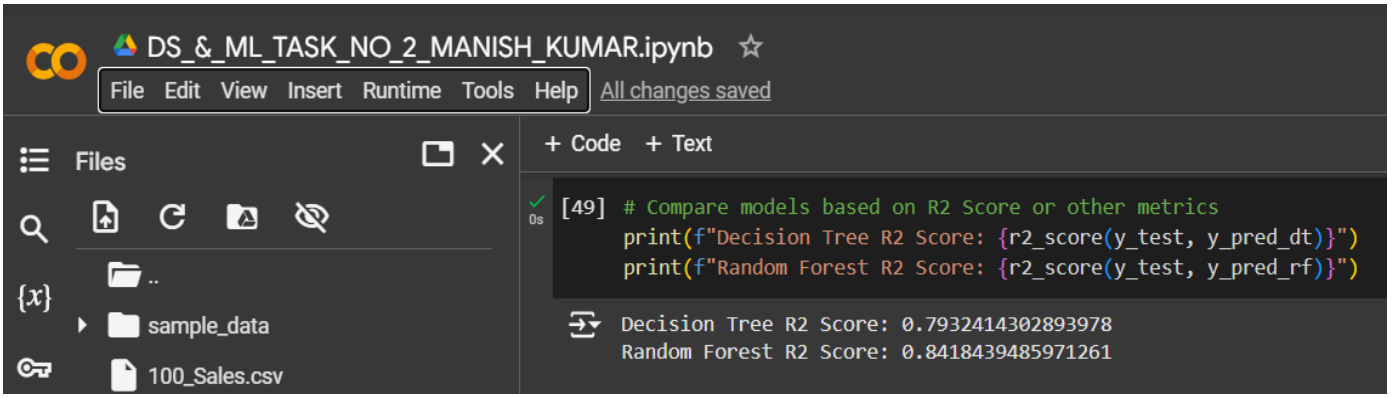
❖ Decision Tree Model:



❖ Random Forest Model:



❖ Model comparison:



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3. Describe Widget/Algorithm Used in Task

Algorithms Used:

- **Decision Tree Regressor**: A non-linear model used for regression tasks that splits the data based on feature values to predict the target. It's interpretable and works well on both categorical and continuous data.
  - **Process**: The algorithm divides the dataset into subsets based on the best splits to predict a continuous target.
- **Random Forest Regressor**: An ensemble method that creates multiple decision trees and averages their predictions to improve performance and reduce overfitting.
  - **Process**: Random Forest builds multiple decision trees and outputs the average prediction from all trees. It's a more robust algorithm compared to a single decision tree.

Steps Involved:

1) **Data Preprocessing**:
   - Load the dataset and inspect it for missing values.
   - Handle missing data by filling numeric columns with mean or median values.
   - Drop columns that contain completely missing data or are not relevant (e.g., "Unnamed" columns).
2) **Feature Engineering**:
   - Apply one-hot encoding to categorical columns (such as Region, Country).
3) **Model Training**:
   - Split the dataset into training and testing sets (80%-20%).
   - Train Decision Tree and Random Forest models on the training data.
4) **Model Evaluation**:
   - Use metrics like Mean Absolute Error (MAE), Mean Squared Error (MSE), and R-squared (R2) to evaluate both models.

Libraries/Tools Used:

- **Pandas**: Utilized for data manipulation and cleaning, including handling missing values, encoding categorical variables, and splitting datasets.
- **Scikit-Learn**: This library is used for implementing machine learning models such as Decision Tree and Random Forest, as well as evaluating their performance using regression metrics like MAE, MSE, and R^2.
- **NumPy**: Employed for numerical operations such as handling missing values with mean imputation and performing mathematical calculations during model evaluation.

***** The End *****