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Classification with Python

In this notebook I try to practice all the classification algorithms that we learned in this course.

We load a dataset using Pandas library, and apply the following algorithms, and find the best one for this specific dataset by accuracy evaluation methods.

Lets first load required libraries:

```
In [6]:
```

```
import itertools
import numpy as np
import matplotlib.pyplot as plt
from matplotlib.ticker import NullFormatter
import pandas as pd
import numpy as np
import matplotlib.ticker as ticker
from sklearn import preprocessing
%matplotlib inline
```

About dataset

This dataset is about past loans. The **Loan_train.csv** data set includes details of 346 customers whose loan are already paid off or defaulted. It includes following fields:

Field	Description
Loan_status	Whether a loan is paid off on in collection
Principal	Basic principal loan amount at the
Terms	Origination terms which can be weekly (7 days), biweekly, and monthly payoff schedule
Effective_date	When the loan got originated and took effects
Due_date	Since it's one-time payoff schedule, each loan has one single due date
Age	Age of applicant
Education	Education of applicant
Gender	The gender of applicant

Lets download the dataset

Load Data From CSV File

Out[7]:

	Unnamed: 0	Unnamed: 0.1	loan_status	Principal	terms	effective_date	due_date	ag
0	0	0	PAIDOFF	1000	30	9/8/2016	10/7/2016	45
1	2	2	PAIDOFF	1000	30	9/8/2016	10/7/2016	33
2	3	3	PAIDOFF	1000	15	9/8/2016	9/22/2016	27
3	4	4	PAIDOFF	1000	30	9/9/2016	10/8/2016	28
4	6	6	PAIDOFF	1000	30	9/9/2016	10/8/2016	29

In [24]: df.shape

Out[24]: (346, 10)

In [25]:	df.dtypes			
Out[25]:	Unnamed: 0	int64		
	Unnamed: 0.1	int64		
	loan_status	object		
	Principal	int64		
	terms	int64		
	effective_date	datetime64[ns]		
	due_date	datetime64[ns]		
	age	int64		
	education	object		
	Gender	object		
	dtype: object			

Convert to date time object

Out[26]:

	Unnamed: 0	Unnamed: 0.1	loan_status	Principal	terms	effective_date	due_date	ag
0	0	0	PAIDOFF	1000	30	2016-09-08	2016-10- 07	45
1	2	2	PAIDOFF	1000	30	2016-09-08	2016-10- 07	33
2	3	3	PAIDOFF	1000	15	2016-09-08	2016-09- 22	27
3	4	4	PAIDOFF	1000	30	2016-09-09	2016-10- 08	28
4	6	6	PAIDOFF	1000	30	2016-09-09	2016-10- 08	29

Data visualization and pre-processing

Let's see how many of each class is in our data set

260 people have paid off the loan on time while 86 have gone into collection

Lets plot some columns to underestand data better:

```
In [28]: # notice: installing seaborn might takes a few minutes
!conda install -c anaconda seaborn -y

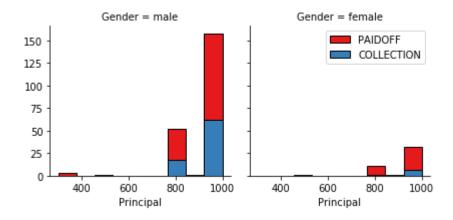
Collecting package metadata (repodata.json): ...working... done
Solving environment: ...working... done

# All requested packages already installed.
```

In [29]:

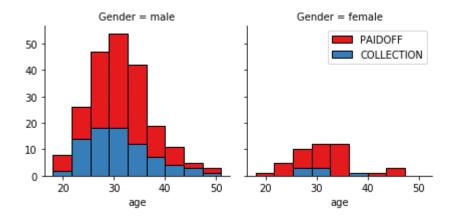
import seaborn as sns

```
bins = np.linspace(df.Principal.min(), df.Principal.max(), 10)
g = sns.FacetGrid(df, col="Gender", hue="loan_status", palette="Set1", col_wrap=2)
g.map(plt.hist, 'Principal', bins=bins, ec="k")
g.axes[-1].legend()
plt.show()
```



```
In [31]: bins = np.linspace(df.age.min(), df.age.max(), 10)
    g = sns.FacetGrid(df, col="Gender", hue="loan_status", palette="Set1", col_wrap=2)
    g.map(plt.hist, 'age', bins=bins, ec="k")

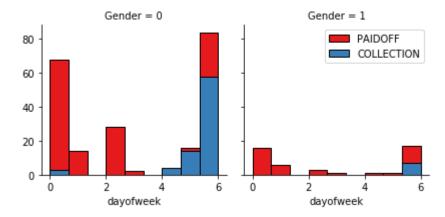
g.axes[-1].legend()
    plt.show()
```



Pre-processing: Feature selection/extraction

Lets look at the day of the week people get the loan

```
In [118]: df['dayofweek'] = df['effective_date'].dt.dayofweek
    bins = np.linspace(df.dayofweek.min(), df.dayofweek.max(), 10)
    g = sns.FacetGrid(df, col="Gender", hue="loan_status", palette="Set1", col_wrap=2)
    g.map(plt.hist, 'dayofweek', bins=bins, ec="k")
    g.axes[-1].legend()
    plt.show()
```



We see that people who get the loan at the end of the week dont pay it off, so lets use Feature binarization to set a threshold values less then day 4

Out[33]:

	Unnamed: 0	Unnamed: 0.1	loan_status	Principal	terms	effective_date	due_date	ag
0	0	0	PAIDOFF	1000	30	2016-09-08	2016-10- 07	45
1	2	2	PAIDOFF	1000	30	2016-09-08	2016-10- 07	33
2	3	3	PAIDOFF	1000	15	2016-09-08	2016-09- 22	27
3	4	4	PAIDOFF	1000	30	2016-09-09	2016-10- 08	28
4	6	6	PAIDOFF	1000	30	2016-09-09	2016-10- 08	29

Convert Categorical features to numerical values

Lets look at gender:

```
In [34]: df.groupby(['Gender'])['loan_status'].value_counts(normalize=True)
```

Out[34]: Gender loan_status

female PAIDOFF 0.865385

COLLECTION 0.134615

male PAIDOFF 0.731293

COLLECTION 0.268707

Name: loan_status, dtype: float64

86 % of female pay there loans while only 73 % of males pay there loan

Lets convert male to 0 and female to 1:

Out[35]:

	Unnamed: 0	Unnamed: 0.1	loan_status	Principal	terms	effective_date	due_date	ag
0	0	0	PAIDOFF	1000	30	2016-09-08	2016-10- 07	45
1	2	2	PAIDOFF	1000	30	2016-09-08	2016-10- 07	33
2	3	3	PAIDOFF	1000	15	2016-09-08	2016-09- 22	27
3	4	4	PAIDOFF	1000	30	2016-09-09	2016-10- 08	28
4	6	6	PAIDOFF	1000	30	2016-09-09	2016-10- 08	29

One Hot Encoding

How about education?

In [36]: df.groupby(['education'])['loan_status'].value_counts(normalize=True) Out[36]: education loan_status Bechalor **PAIDOFF** 0.750000 COLLECTION 0.250000 High School or Below PAIDOFF 0.741722 **COLLECTION** 0.258278 Master or Above COLLECTION 0.500000 **PAIDOFF** 0.500000 college 0.765101 PAIDOFF COLLECTION 0.234899 Name: loan_status, dtype: float64

Feature befor One Hot Encoding

In [37]: df[['Principal','terms','age','Gender','education']].head()

Out[37]:

	Principal	terms	age	Gender	education
0	1000	30	45	0	High School or Below
1	1000	30	33	1	Bechalor
2	1000	15	27	0	college
3	1000	30	28	1	college
4	1000	30	29	0	college

Use one hot encoding technique to conver categorical variables to binary variables and append them to the feature Data Frame

```
In [39]: Feature = df[['Principal','terms','age','Gender','weekend']]
    Feature = pd.concat([Feature,pd.get_dummies(df['education'])], axis=1)
    Feature.drop(['Master or Above'], axis = 1,inplace=True)
    Feature.head()
```

Out[39]:

	Principal	terms	age	Gender	weekend	Bechalor	High School or Below	college
0	1000	30	45	0	0	0	1	0
1	1000	30	33	1	0	1	0	0
2	1000	15	27	0	0	0	0	1
3	1000	30	28	1	1	0	0	1
4	1000	30	29	0	1	0	0	1

Feature selection

Lets defind feature sets, X:

Out[40]:

	Principal	terms	age	Gender	weekend	Bechalor	High School or Below	college
0	1000	30	45	0	0	0	1	0
1	1000	30	33	1	0	1	0	0
2	1000	15	27	0	0	0	0	1
3	1000	30	28	1	1	0	0	1
4	1000	30	29	0	1	0	0	1

What are our lables?

```
In [178]: y = df['loan_status'].values
    y[0:5]
```

```
In [179]: # Import label encoder
from sklearn import preprocessing

# label_encoder object knows how to understand word labels.
label_encoder = preprocessing.LabelEncoder()

# Encode labels in column 'Species'.
y= label_encoder.fit_transform(y)
y
```

Normalize Data

Data Standardization give data zero mean and unit variance (technically should be done after train test split)

Classification

Now, it is your turn, use the training set to build an accurate model. Then use the test set to report the accuracy of the model You should use the following algorithm:

- K Nearest Neighbor(KNN)
- Decision Tree

- Support Vector Machine
- Logistic Regression

Notice:

- You can go above and change the pre-processing, feature selection, featureextraction, and so on, to make a better model.
- You should use either scikit-learn, Scipy or Numpy libraries for developing the classification algorithms.
- You should include the code of the algorithm in the following cells.

K Nearest Neighbor(KNN)

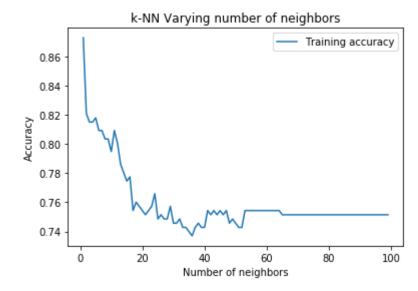
Notice: You should find the best k to build the model with the best accuracy. warning: You should not use the loan_test.csv for finding the best k, however, you can split your train_loan.csv into train and test to find the best k.

```
In [181]: #from sklearn.model_selection import train_test_split
#x_train,x_test,y_train,y_test = train_test_split(X,y,test_size = 0.25,random_state = 0)
```

```
In [182]:
```

```
from sklearn.neighbors import KNeighborsClassifier
neighbors = np.arange(1,100)
train_accuracy =np.empty(len(neighbors))
for i,k in enumerate(neighbors):
    #Setup a knn classifier with k neighbors
knn = KNeighborsClassifier(n_neighbors=k)
    #Fit the model
knn.fit(X, y)
    #Compute accuracy on the training set
train_accuracy[i] = knn.score(X, y)
```

```
In [183]: #KNN_Generate plot
    plt.title('k-NN Varying number of neighbors')
    plt.plot(neighbors, train_accuracy, label='Training accuracy')
    plt.legend()
    plt.xlabel('Number of neighbors')
    plt.ylabel('Accuracy')
    plt.show()
```



```
In [184]: #Setup a knn classifier with k neighbors
knn = KNeighborsClassifier(n_neighbors=20)
knn.fit(X,y)
```

```
Out[184]: KNeighborsClassifier(algorithm='auto', leaf_size=30, metric='minkowski', metric_params=None, n_jobs=1, n_neighbors=20, p=2, weights='uniform')
```

Decision Tree

Support Vector Machine

Logistic Regression

```
Out[187]: LogisticRegression(C=1.0, class_weight=None, dual=False, fit_intercept=True, intercept_scaling=1, max_iter=100, multi_class='ovr', n_jobs=1, penalty='l2', random_state=None, solver='liblinear', tol=0.0001, verbose=0, warm_start=False)
```

Model Evaluation using Test set

```
In [188]: from sklearn.metrics import jaccard_similarity_score
    from sklearn.metrics import f1_score
    from sklearn.metrics import log_loss
```

First, download and load the test set:

Load Test set for evaluation

```
In [189]: test_df = pd.read_csv('loan_test.csv')
    test_df.head()
```

Out[189]:

	Unnamed: 0	Unnamed: 0.1	loan_status	Principal	terms	effective_date	due_date	ag
0	1	1	PAIDOFF	1000	30	9/8/2016	10/7/2016	50
1	5	5	PAIDOFF	300	7	9/9/2016	9/15/2016	35
2	21	21	PAIDOFF	1000	30	9/10/2016	10/9/2016	43
3	24	24	PAIDOFF	1000	30	9/10/2016	10/9/2016	26
4	35	35	PAIDOFF	800	15	9/11/2016	9/25/2016	29

```
In [190]: #Preprosseing Data:
    test_df['due_date'] = pd.to_datetime(test_df['due_date'])
    test_df['effective_date'] = pd.to_datetime(test_df['effective_date'])
```

```
In [191]:
           test_df['dayofweek'] = test_df['effective_date'].dt.dayofweek
            test_df['dayofweek']
Out[191]:
                   3
            1
                  4
                   5
                   5
                   6
                   6
                   6
                   6
            8
                   6
            9
                   6
            10
                   6
            11
                   6
            12
                   6
            13
                   6
            14
                   6
            15
                   6
            16
                   6
            17
                   6
            18
                   6
            19
                   6
            20
                   6
            21
                   6
            22
                  0
            23
                   0
            24
                  0
            25
                   0
```

26	0
27	0
28	0
29	0
30	0
31	0
32	0
33	0
34	0
35	1
36	1
37	1
38	2
39	2
40	4
41	5
42	5
43	5
44	5
45	5
46	5
47	6
48	6
49	6
50	6
51	6
52	6
53	0

Name: dayofweek, dtype: int64

Out[205]:

	Unnamed: 0	Unnamed: 0.1	loan_status	Principal	terms	effective_date	due_date
0	1	1	PAIDOFF	1000	30	2016-09-08	2016-10- 07
1	5	5	PAIDOFF	300	7	2016-09-09	2016-09- 15
2	21	21	PAIDOFF	1000	30	2016-09-10	2016-10- 09
3	24	24	PAIDOFF	1000	30	2016-09-10	2016-10- 09
4	35	35	PAIDOFF	800	15	2016-09-11	2016-09- 25
5	37	37	PAIDOFF	700	15	2016-09-11	2016-09- 25
6	38	38	PAIDOFF	1000	15	2016-09-11	2016-09- 25

	Unnamed:	Unnamed: 0.1	loan_status	Principal	terms	effective_date	due_date
7	48	48	PAIDOFF	1000	30	2016-09-11	2016-10- 10
8	50	50	PAIDOFF	800	15	2016-09-11	2016-09- 25
9	61	61	PAIDOFF	1000	15	2016-09-11	2016-09- 25
10	64	64	PAIDOFF	800	15	2016-09-11	2016-09- 25
11	68	68	PAIDOFF	300	7	2016-09-11	2016-09- 17
12	76	76	PAIDOFF	1000	30	2016-09-11	2016-10- 10
13	78	78	PAIDOFF	1000	30	2016-09-11	2016-10- 10
14	84	84	PAIDOFF	1000	30	2016-09-11	2016-10- 10
15	85	85	PAIDOFF	1000	30	2016-09-11	2016-11- 09

	Unnamed: 0	Unnamed: 0.1	loan_status	Principal	terms	effective_date	due_date
16	88	88	PAIDOFF	800	15	2016-09-11	2016-09- 25
17	91	91	PAIDOFF	1000	7	2016-09-11	2016-09- 17
18	96	96	PAIDOFF	1000	15	2016-09-11	2016-09- 25
19	100	100	PAIDOFF	1000	7	2016-09-11	2016-09- 17
20	105	105	PAIDOFF	1000	30	2016-09-11	2016-10- 10
21	142	142	PAIDOFF	1000	7	2016-09-11	2016-09- 17
22	147	147	PAIDOFF	300	7	2016-09-12	2016-09- 18
23	150	150	PAIDOFF	1000	15	2016-09-12	2016-10- 26

	Unnamed:	Unnamed: 0.1	loan_status	Principal	terms	effective_date	due_date
24	156	156	PAIDOFF	1000	15	2016-09-12	2016-09- 26
25	167	167	PAIDOFF	800	30	2016-09-12	2016-10- 11
26	169	169	PAIDOFF	1000	30	2016-09-12	2016-10- 11
27	179	179	PAIDOFF	1000	30	2016-09-12	2016-10- 11
28	186	186	PAIDOFF	1000	30	2016-09-12	2016-10- 11
29	196	196	PAIDOFF	1000	30	2016-09-12	2016-11- 10
30	199	199	PAIDOFF	1000	30	2016-09-12	2016-10- 11
31	202	202	PAIDOFF	1000	15	2016-09-12	2016-09- 26
32	222	222	PAIDOFF	1000	30	2016-09-12	2016-11- 10

	Unnamed:	Unnamed: 0.1	loan_status	Principal	terms	effective_date	due_date
33	236	236	PAIDOFF	1000	30	2016-09-12	2016-10- 11
34	239	239	PAIDOFF	1000	15	2016-09-12	2016-09- 26
35	251	251	PAIDOFF	1000	30	2016-09-13	2016-10- 12
36	252	252	PAIDOFF	1000	30	2016-09-13	2016-10- 12
37	264	264	PAIDOFF	800	15	2016-09-13	2016-09- 27
38	287	287	PAIDOFF	1000	30	2016-09-14	2016-10- 13
39	295	295	PAIDOFF	1000	30	2016-09-14	2016-10- 13
40	302	302	COLLECTION	1000	30	2016-09-09	2016-10- 08

	Unnamed: 0	Unnamed: 0.1	loan_status	Principal	terms	effective_date	due_date
41	305	305	COLLECTION	1000	15	2016-09-10	2016-09- 24
42	309	309	COLLECTION	800	15	2016-09-10	2016-09- 24
43	310	310	COLLECTION	1000	30	2016-09-10	2016-10- 09
44	311	311	COLLECTION	800	15	2016-09-10	2016-09- 24
45	313	313	COLLECTION	1000	30	2016-09-10	2016-10- 09
46	315	315	COLLECTION	1000	15	2016-09-10	2016-10- 09
47	328	328	COLLECTION	1000	30	2016-09-11	2016-10- 10

	Unnamed: 0	Unnamed: 0.1	loan_status	Principal	terms	effective_date	due_date
48	331	331	COLLECTION	800	15	2016-09-11	2016-09- 25
49	348	348	COLLECTION	1000	30	2016-09-11	2016-10- 10
50	349	349	COLLECTION	800	15	2016-09-11	2016-09- 25
51	369	369	COLLECTION	1000	30	2016-09-11	2016-10- 10
52	370	370	COLLECTION	800	15	2016-09-11	2016-09- 25
53	396	396	COLLECTION	1000	30	2016-09-12	2016-10- 11

```
In [206]:
```

```
Feature_test = test_df[['Principal','terms','age','Gender','weekend']]
Feature_test = pd.concat([Feature_test,pd.get_dummies(test_df['education'])], axis=1)
Feature_test.drop(['Master or Above'], axis = 1,inplace=True)
```

```
In [210]:
        y_test=test_df['loan_status'].values
        # Import label encoder
        from sklearn import preprocessing
        # label encoder object knows how to understand word labels.
        label encoder = preprocessing.LabelEncoder()
        # Encode labels in column 'Species'.
        y_test= label_encoder.fit_transform(y_test)
        y_test
0, 0, 0, 0, 0, 0, 0, 0, 0], dtype=int64)
In [212]:
        #prediction
        y_pred_1 = knn.predict(x_test)
        y pred 2 = dt.predict(x test)
        y pred 3 = clf.predict(x test)
        y_pred_4 = lr.predict(x_test)
```

KNN Evaluation:

```
In [213]: print(jaccard_similarity_score(y_test,y_pred_1))
```

0.7407407407407407

Decision Tree Evaluation:

SVM Evaluation:

```
In [217]: print(jaccard_similarity_score(y_test,y_pred_3))
```

0.7407407407407407

```
In [218]: print(f1_score(y_test,y_pred_3,average=None))
```

[0. 0.85106383]

C:\Users\Majid\Anaconda3\lib\site-packages\sklearn\metrics\classification.py:1135: Unde finedMetricWarning: F-score is ill-defined and being set to 0.0 in labels with no predicted samples.

'precision', 'predicted', average, warn_for)

LogisticRegression Evalaution:

```
In [221]: # Import Label encoder
from sklearn import preprocessing

# Label_encoder object knows how to understand word Labels.
label_encoder = preprocessing.LabelEncoder()

# Encode Labels in column 'Species'.
y_test= label_encoder.fit_transform(y_test)
```

```
In [222]:
```

```
print(log_loss(y_test,y_pred_4))
```

8.315083109267249

Report

You should be able to report the accuracy of the built model using different evaluation metrics:

Algorithm	Jaccard	F1-score	LogLoss
KNN	?	?	NA
Decision Tree	?	?	NA
SVM	?	?	NA
LogisticRegression	?	?	?

Want to learn more?

IBM SPSS Modeler is a comprehensive analytics platform that has many machine learning algorithms. It has been designed to bring predictive intelligence to decisions made by individuals, by groups, by systems – by your enterprise as a whole. A free trial is available through this course, available here: SPSS Modeler (http://cocl.us/ML0101EN-SPSSModeler)

Also, you can use Watson Studio to run these notebooks faster with bigger datasets. Watson Studio is IBM's leading cloud solution for data scientists, built by data scientists. With Jupyter notebooks, RStudio, Apache Spark and popular libraries pre-packaged in the cloud, Watson Studio enables data scientists to collaborate on their projects without having to install anything. Join the fast-growing community of Watson Studio users today with a free account at Watson Studio (https://cocl.us/ML0101EN_DSX)

Thanks for completing this lesson!

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