DMBI Practical list Sem: VI TE IT A&B

#Data Preprocessing & Exploration

- 1. Missing Value Handling:
- Practical: Use techniques like mean imputation, median imputation, or predictive imputation to handle missing values in datasets.
- Dataset: You can use the "Adult Income" dataset from the UCI Machine Learning
 Repository, which contains missing values in various attributes such as education and occupation.
 Dataset link

```
import pandas as pd
url =
columns = ['age', 'workclass', 'fnlwgt', 'education', 'education-num',
df = pd.read csv(url, names=columns, na values=' ?',
skipinitialspace=True)
# Check for missing values
missing values = df.isnull().sum()
print(missing values)
numeric cols = ['age', 'education-num', 'capital-gain', 'capital-loss',
'hours-per-week']
for col in numeric cols:
    if df[col].isnull().sum() > 0:
        median val = df[col].median()
        df[col].fillna(median val, inplace=True)
```

2. Outlier Detection:

- Practical: Identify and handle outliers in the data using methods like z-score, IQR (Interquartile Range), or visualization techniques.
- Dataset: The "Credit Card Fraud Detection" dataset from Kaggle contains transactions with potential outliers representing fraudulent activities. Dataset link

```
import pandas as pd
import numpy as np
# Load the dataset
df = pd.read csv('creditcard.csv')
# Display basic information about the dataset
print(df.info())
from scipy import stats
# Calculate z-scores for numeric columns
numeric cols = df.select dtypes(include=['float64']).columns
z scores = stats.zscore(df[numeric cols])
# Absolute z-score values greater than 3 are considered outliers
threshold = 3
outlier indices = (np.abs(z scores) > threshold).any(axis=1)
outliers_zscore = df[outlier_indices]
# Remove or handle outliers based on your analysis
# For example, you can remove outliers from the dataset
df no outliers zscore = df[~outlier indices]
# Calculate IQR for numeric columns
```

```
Q1 = df[numeric cols].quantile(0.25)
Q3 = df[numeric_cols].quantile(0.75)
IQR = Q3 - Q1
# Identify outliers using IQR method
outliers iqr = df[((df[numeric cols] < (Q1 - 1.5 * IQR)) |
(df[numeric_cols] > (Q3 + 1.5 * IQR))).any(axis=1)]
# Remove or handle outliers based on your analysis
# For example, you can remove outliers from the dataset
df no outliers iqr = df[~df.index.isin(outliers iqr.index)]
import matplotlib.pyplot as plt
# Box plot for a specific numeric column
plt.figure(figsize= (8, 6))
plt.boxplot(df['Amount'])
plt.title('Box plot for Amount')
plt.show()
# Scatter plot for two numeric columns
plt.figure(figsize=(8, 6))
plt.scatter(df['Time'], df['Amount'])
plt.xlabel('Time')
plt.ylabel('Amount')
plt.title('Scatter plot for Time vs Amount')
plt.show()
```

3. Feature Scaling:

- Practical: Normalize or standardize features in the dataset to ensure fair comparisons and improve machine learning model performance.
- Dataset: The "Wine Quality" dataset from the UCI Machine Learning Repository includes features related to wine properties that can benefit from feature scaling. Dataset link

```
import pandas as pd

# Load the dataset
url =
"https://archive.ics.uci.edu/ml/machine-learning-databases/wine-quality/wi
nequality-red.csv"

df = pd.read_csv(url, sep=";")
```

```
print(df.info())
from sklearn.preprocessing import MinMaxScaler
features_to_normalize = df.columns[:-1] # Exclude the target variable
scaler = MinMaxScaler()
df normalized = df.copy()
df normalized[features to normalize] =
scaler.fit transform(df[features to normalize])
print(df normalized.head())
from sklearn.preprocessing import StandardScaler
# Initialize StandardScaler
scaler = StandardScaler()
df standardized = df.copy()
df standardized[features to normalize] =
scaler.fit transform(df[features to normalize])
# Display the standardized dataset
print(df standardized.head())
```

4. Data Visualization:

- Practical: Explore the dataset visually using plots such as histograms, scatter plots, and box plots to understand data distributions and relationships.
- O Dataset: The "Iris" dataset is a classic dataset often used for data visualization tasks, showcasing features of different iris flower species. Dataset link

```
import pandas as pd
import matplotlib.pyplot as plt
import seaborn as sns
# Load the Iris dataset
```

```
url =
"https://archive.ics.uci.edu/ml/machine-learning-databases/iris/iris.data"
columns = ['sepal_length', 'sepal_width', 'petal_length', 'petal_width',
df = pd.read csv(url, names=columns)
print(df.info())
plt.figure(figsize=(10, 6))
for i, feature in enumerate(df.columns[:-1]):
   plt.subplot(2, 2, i + 1)
    sns.histplot(df[feature], kde=True)
    plt.title(f'Histogram of {feature}')
plt.tight layout()
plt.show()
plt.figure(figsize=(8, 6))
sns.scatterplot(data=df, x='sepal length', y='sepal width', hue='species')
plt.title('Scatter Plot of Sepal Length vs Sepal Width')
plt.show()
plt.figure(figsize=(8, 6))
sns.boxplot(data=df, x='species', y='petal length')
plt.title('Box Plot of Petal Length by Species')
plt.show()
```

Association Rule Mining - Apriori algorithm

- 1. Frequent Itemset Mining:
- Experiment: Use the Apriori algorithm to mine frequent itemsets from transactional data.
- Dataset: The "Online Retail" dataset from the UCI Machine Learning Repository contains transactional data from an online retail store, suitable for frequent itemset mining. Dataset link

```
pip install mlxtend
import pandas as pd
from mlxtend.frequent_patterns import apriori, association_rules
# Load the Online Retail dataset
```

```
url =
"https://archive.ics.uci.edu/ml/machine-learning-databases/00352/Online%20
Retail.xlsx"
df = pd.read excel(url)
print(df.head())
print(df.info())
df['Description'] = df['Description'].str.strip()
basket = df.groupby(['InvoiceNo',
'Description'])['Quantity'].sum().unstack().reset index().fillna(0)
basket sets = basket.drop('InvoiceNo', axis=1)
def encode units(x):
   if x <= 0:
    if x >= 1:
basket sets = basket sets.applymap(encode units)
frequent itemsets = apriori(basket sets, min support=0.05,
use colnames=True)
# Generate association rules
rules = association rules(frequent itemsets, metric="lift",
min threshold=1)
rules.sort values(by='lift', ascending=False, inplace=True)
# Display frequent itemsets and association rules
print("Frequent Itemsets:")
print(frequent itemsets)
print("\nAssociation Rules:")
```

- 2. Association Rule Generation:
- Experiment: Generate association rules with specified support and confidence thresholds from the mined frequent itemsets.
- Dataset: The "Groceries" dataset from the UCI Machine LearningRepository includes transactional data from a grocery store, ideal for association rule generation tasks. Dataset link

```
pip install mlxtend
import pandas as pd
from mlxtend.frequent_patterns import apriori, association rules
# Load the Groceries dataset
url =
"https://archive.ics.uci.edu/ml/machine-learning-databases/00352/Online%20
Retail.xlsx"
df = pd.read excel(url)
print(df.head())
print(df.info())
df['Description'] = df['Description'].str.strip()
basket = df.groupby(['InvoiceNo',
'Description'])['Quantity'].sum().unstack().reset index().fillna(0)
basket sets = basket.drop('InvoiceNo', axis=1)
def encode units(x):
   if x <= 0:
basket sets = basket sets.applymap(encode units)
```

```
frequent_itemsets = apriori(basket_sets, min_support=0.01,
use_colnames=True)

# Generate association rules with specified support and confidence
thresholds
rules = association_rules(frequent_itemsets, metric="confidence",
min_threshold=0.5)

# Display generated association rules
print("Generated Association Rules:")
print(rules)
```

3. Rule Evaluation and Pruning:

- Experiment: Evaluate generated association rules based on metrics like lift, Support & confidence. Prune rules based on predefined criteria.
- Dataset: The "Mushroom" dataset from the UCI Machine Learning Repository contains data about mushroom species, suitable for association rule evaluation and pruning. Dataset link

```
le = LabelEncoder()

# Apply label encoding to each column
for col in df.columns:
    df[col] = le.fit_transform(df[col])

# Display the encoded DataFrame
print(df.head())
from mlxtend.frequent_patterns import apriori, association_rules

# Apply Apriori algorithm to find frequent itemsets
frequent_itemsets = apriori(df, min_support=0.2, use_colnames=True)

# Generate association rules with specified support and confidence thresholds
rules = association_rules(frequent_itemsets, metric="confidence", min_threshold=0.5)

# Display generated association rules
print("Generated Association Rules:")
print(rules)
```

- 4. Rule Visualization and Interpretation:
- \circ Experiment: Visualize the generated association rules using graphs or charts for better understanding and interpretation.
- Dataset: The "Market Basket Optimisation" dataset from Kaggle consists of transactional data from a grocery store, providing opportunities for rule visualization and interpretation

```
import pandas as pd
from mlxtend.frequent_patterns import apriori, association_rules

# Load the Market Basket Optimisation dataset
df =
pd.read_csv('https://raw.githubusercontent.com/stedy/Machine-Learning-with
-R-datasets/master/groceries.csv', header=None)

# Explore the dataset
print(df.head())
print(df.info())

# Perform one-hot encoding for market basket analysis
```

```
basket sets = pd.get dummies(df, dtype=bool)
frequent itemsets = apriori(basket sets, min support=0.01,
use colnames=True)
rules = association rules(frequent itemsets, metric="lift",
min threshold=1.0)
# Display generated association rules
print("Generated Association Rules:")
print(rules)
import matplotlib.pyplot as plt
# Scatter plot for support vs confidence
plt.figure(figsize=(10, 6))
plt.scatter(rules['support'], rules['confidence'], alpha=0.5)
plt.xlabel('Support')
plt.ylabel('Confidence')
plt.title('Support vs Confidence')
plt.show()
# Scatter plot for support vs lift
plt.figure(figsize=(10, 6))
plt.scatter(rules['support'], rules['lift'], alpha=0.5)
plt.xlabel('Support')
plt.ylabel('Lift')
plt.title('Support vs Lift')
plt.show()
# Scatter plot for confidence vs lift
plt.figure(figsize=(10, 6))
plt.scatter(rules['confidence'], rules['lift'], alpha=0.5)
plt.xlabel('Confidence')
plt.ylabel('Lift')
plt.title('Confidence vs Lift')
plt.show()
```

Classification: Naive Bayes Algorithm

- 1. Spam Email Classification:
- Practical: Train a Naive Bayes classifier to distinguish between spam and non-spam emails based on text features.
- Dataset: The "Spambase" dataset from the UCI Machine Learning Repository contains email spam and non-spam data, ideal for spam classification tasks. Dataset link

```
import pandas as pd
from sklearn.model selection import train test split
from sklearn.naive bayes import GaussianNB
from sklearn.metrics import accuracy score, classification_report
# Load the Spambase dataset
url =
"https://archive.ics.uci.edu/ml/machine-learning-databases/spambase/spamba
se.data"
columns = [
```

```
df = pd.read csv(url, names=columns)
X = df.drop('is spam', axis=1)
y = df['is spam']
X train, X test, y train, y test = train test split(X, y, test size=0.2,
random state=42)
nb classifier = GaussianNB()
# Train the classifier on the training data
nb classifier.fit(X train, y train)
y pred = nb classifier.predict(X test)
accuracy = accuracy score(y test, y pred)
print("Accuracy:", accuracy)
print("Classification Report:")
print(classification report(y test, y pred))
```

2. Sentiment Analysis:

- Practical: Perform sentiment analysis using a Naive Bayes classifier to categorize text data into positive, negative, or neutral sentiments.
- Dataset: The "Sentiment140" dataset from Kaggle consists of tweets labeled with sentiments (positive or negative), suitable for sentiment analysis tasks. Dataset link

```
import pandas as pd

# Load the Sentiment140 dataset

df =

pd.read_csv('https://storage.googleapis.com/kaggle-datasets/133598/344967/
training.1600000.processed.noemoticon.csv?X-Goog-Algorithm=GOOG4-RSA-SHA25
6&X-Goog-Credential=gcp-kaggle-com%40kaggle-161607.iam.gserviceaccount.com
```

```
X-Goog-Expires=259199&X-Goog-SignedHeaders=host&X-Goog-Signature=2ba3edbc9
4a6d8397d148d47854beea649a1b31f014b2715374a7f501b500efdd717cf57be1907a39b8
c26905f75dbd8ba9db1b489fda8354c3f190eb05ebf35d0d6ba7f53a4991df7d6661a5270e
8b79085d8c69e9bcf4fbdac57e264580df979531c638ad104f31392b8f4ed1792d1b3d17db
9138b0c17e8fc4e7fb8a882fc13083189a84d3b022ee4fa7b9c6160376f2b1c08ff01596e9
6ecae2d4f9c5739186a23bbce0fc9209bc546586db75c966f9574e4eac4902fa71b5d17f74
e87b29065f407eb87503c37f07afdc743d7d31828c6c728f84f2b5e09851ff0b17ccf7cb98
6e5868ab3e9d7066079e231de05b70367b76523d6b')
df.columns = ['target', 'id', 'date', 'flag', 'user', 'text']
print(df.head())
print(df.info())
# Map sentiment target values to readable labels
sentiment mapping = {0: 'Negative', 2: 'Neutral', 4: 'Positive'}
df['sentiment'] = df['target'].map(sentiment mapping)
df.drop(['target', 'id', 'date', 'flag', 'user'], axis=1, inplace=True)
print(df.head())
from sklearn.feature extraction.text import CountVectorizer
from sklearn.naive bayes import MultinomialNB
from sklearn.model selection import train test split
from sklearn.metrics import accuracy score, classification report
# Prepare the text data and labels
X = df['text']
y = df['sentiment']
X train, X test, y train, y test = train test split(X, y, test size=0.2,
random state=42)
```

```
# Initialize the CountVectorizer to convert text into a numerical format
vectorizer = CountVectorizer()
X_train_vec = vectorizer.fit_transform(X_train)
X_test_vec = vectorizer.transform(X_test)

# Initialize and train the Naive Bayes classifier
nb_classifier = MultinomialNB()
nb_classifier.fit(X_train_vec, y_train)

# Make predictions on the test data
y_pred = nb_classifier.predict(X_test_vec)

# Evaluate the classifier's performance
accuracy = accuracy_score(y_test, y_pred)
print("Accuracy:", accuracy)

# Print classification report
print("Classification Report:")
print(classification_report(y_test, y_pred))
```

3. Document Classification:

- Practical: Classify documents into categories (e.g., news articles into topics) using a Naive Bayes classifier.
- O Dataset: The "20 Newsgroups" dataset from scikit-learn provides a collection of news articles categorized into 20 different topics, suitable for document classification experiments. Dataset link

```
from sklearn.datasets import fetch_20newsgroups
from sklearn.feature_extraction.text import CountVectorizer
from sklearn.naive_bayes import MultinomialNB
from sklearn.metrics import accuracy_score, classification_report
from sklearn.model_selection import train_test_split

# Load the "20 Newsgroups" dataset
newsgroups_data = fetch_20newsgroups(subset='all', remove=('headers', 'footers', 'quotes'))

# Prepare the text data and labels
X = newsgroups_data.data
y = newsgroups_data.target
```

```
X train, X test, y train, y test = train test split(X, y, test size=0.2,
random state=42)
vectorizer = CountVectorizer()
X train vec = vectorizer.fit transform(X train)
X test vec = vectorizer.transform(X test)
nb classifier = MultinomialNB()
nb classifier.fit(X train vec, y train)
y pred = nb classifier.predict(X test vec)
accuracy = accuracy score(y test, y pred)
print("Accuracy:", accuracy)
print("Classification Report:")
print(classification report(y test, y pred,
target names=newsgroups data.target names))
```

4. Medical Diagnosis:

- Practical: Build a Naive Bayes model to assist in medical diagnosis by predicting the likelihood of a disease based on symptoms.
- Dataset: The "Breast Cancer Wisconsin (Diagnostic)" dataset from the UCI Machine
 Learning Repository includes features derived from breast cancer cell images, useful for medical diagnosis experiments. Dataset link

```
import pandas as pd
from sklearn.datasets import load_breast_cancer
from sklearn.model_selection import train_test_split
from sklearn.naive_bayes import GaussianNB
from sklearn.metrics import accuracy_score, classification_report

# Load the Breast Cancer Wisconsin (Diagnostic) dataset
data = load_breast_cancer()
```

```
X = pd.DataFrame(data.data, columns=data.feature_names)
y = pd.Series(data.target)

# Split the data into training and testing sets
X_train, X_test, y_train, y_test = train_test_split(X, y, test_size=0.2, random_state=42)

# Initialize the Gaussian Naive Bayes classifier
nb_classifier = GaussianNB()

# Train the classifier on the training data
nb_classifier.fit(X_train, y_train)

# Make predictions on the test data
y_pred = nb_classifier.predict(X_test)

# Evaluate the classifier's performance
accuracy = accuracy_score(y_test, y_pred)
print("Accuracy:", accuracy)

# Print classification report
print("Classification Report:")
print(classification_report(y_test, y_pred, target_names=data.target_names))
```

Classification: Decision Tree

- 1. Customer Churn Prediction:
- Practical: Build a decision tree classifier to predict customer churn (whether customers will leave or stay) based on historical customer data, such as usage patterns, demographics, and customer interactions.
- O Dataset: The "Telco Customer Churn" dataset from Kaggle contains customer data from a telecommunications company, including features related to customer behavior and churn status. Dataset link

```
import pandas as pd
from sklearn.model_selection import train_test_split
from sklearn.tree import DecisionTreeClassifier
from sklearn.metrics import accuracy_score, classification_report
# Load the Telco Customer Churn dataset
```

```
url =
"https://raw.githubusercontent.com/stedy/Machine-Learning-with-R-datasets/
master/telco-churn.csv"
df = pd.read csv(url)
print(df.head())
print(df.info())
df['TotalCharges'] = pd.to numeric(df['TotalCharges'], errors='coerce')
Convert TotalCharges to numeric
df.dropna(inplace=True)  # Drop rows with missing values
df.drop(['customerID'], axis=1, inplace=True)  # Drop customerID column
# Convert categorical variables to numerical using one-hot encoding
df = pd.get dummies(df, drop first=True)
# Separate features (X) and target variable (y)
X = df.drop('Churn Yes', axis=1) # Features
y = df['Churn Yes']  # Target variable (Churn Yes indicates churn)
X train, X test, y train, y test = train test split(X, y, test size=0.2,
random_state=42)
dt classifier = DecisionTreeClassifier(random state=42)
dt classifier.fit(X train, y train)
y pred = dt classifier.predict(X test)
# Evaluate the classifier's performance
accuracy = accuracy score(y test, y pred)
print("Accuracy:", accuracy)
```

```
print("Classification Report:")
print(classification_report(y_test, y_pred))
```

2. Loan Approval Prediction:

- Practical: Develop a decision tree model to predict whether a loan application will be approved or rejected based on applicant information like credit score, income, loan amount, and other relevant factors.
- Dataset: The "German Credit" dataset from the UCI Machine Learning Repository includes attributes related to loan applicants and their creditworthiness, making it suitable for loan approval prediction experiments. Dataset link

```
import pandas as pd
from sklearn.model selection import train test split
from sklearn.tree import DecisionTreeClassifier
from sklearn.metrics import accuracy score, classification report
"https://archive.ics.uci.edu/ml/machine-learning-databases/statlog/german/
german.data"
columns = [
df = pd.read csv(url, sep=' ', names=columns)
print(df.head())
print(df.info())
df encoded = pd.get dummies(df, drop first=True)
```

```
X = df encoded.drop('credit approval good', axis=1) # Features
y = df encoded['credit approval good']  # Target variable
X train, X test, y train, y test = train test split(X, y, test size=0.2,
random state=42)
dt classifier = DecisionTreeClassifier(random state=42)
dt classifier.fit(X train, y train)
y pred = dt classifier.predict(X test)
accuracy = accuracy score(y test, y pred)
print("Accuracy:", accuracy)
print("Classification Report:")
print(classification report(y test, y pred))
```

#Clustering: K means algorithm

- 1. Customer Segmentation:
- Practical: Use K-means clustering to segment customers based on their purchasing behavior and demographics.
- O Dataset: The "Mall Customer Segmentation Data" from Kaggle contains information about customers such as age, income, and spending score, suitable for customer segmentation tasks.

 Dataset link

```
import pandas as pd

# Load the Mall Customer Segmentation Data

df =

pd.read_csv('https://raw.githubusercontent.com/stedy/Machine-Learning-with
-R-datasets/master/mall_customers.csv')
```

```
print(df.head())
print(df.info())
import matplotlib.pyplot as plt
from sklearn.cluster import KMeans
score)
X = df[['Annual Income (k$)', 'Spending Score (1-100)']]
wcss = []
for i in range(1, 11):
    kmeans = KMeans(n clusters=i, init='k-means++', random state=42)
    kmeans.fit(X)
   wcss.append(kmeans.inertia)
# Plot the Elbow Method to find the optimal number of clusters
plt.figure(figsize=(10, 6))
plt.plot(range(1, 11), wcss, marker='o', linestyle='--')
plt.xlabel('Number of Clusters')
plt.ylabel('WCSS (Within-cluster Sum of Squares)')
plt.title('Elbow Method for Optimal K')
plt.xticks(range(1, 11))
plt.grid(True)
plt.show()
kmeans = KMeans(n clusters=5, init='k-means++', random state=42)
kmeans.fit(X)
df['Cluster'] = kmeans.labels
# Visualize the clusters
plt.figure(figsize=(10, 6))
plt.scatter(df['Annual Income (k$)'], df['Spending Score (1-100)'],
c=df['Cluster'], cmap='viridis')
plt.xlabel('Annual Income (k$)')
plt.ylabel('Spending Score (1-100)')
```

```
plt.title('Customer Segmentation using K-means Clustering')
plt.show()

# Print the cluster centers (centroid) for interpretation
print("Cluster Centers (Centroids):")
print(pd.DataFrame(kmeans.cluster_centers_, columns=['Annual Income (k$)',
'Spending Score (1-100)']))
```

2. Image Compression:

- Practical: Apply K-means clustering to compress images by reducing the number of colors while preserving image quality.
- Dataset: You can use images from public repositories or create your own dataset of images for image compression experiments.

```
pip install numpy matplotlib scikit-learn
import numpy as np
import matplotlib.pyplot as plt
from sklearn.cluster import KMeans
from PIL import Image # Pillow library for image processing
# Load the image (replace 'your image.jpg' with the path to your image)
image path = 'your image.jpg'
original image = Image.open(image path)
original width, original height = original image.size
# Display the original image
plt.figure(figsize=(6, 6))
plt.imshow(original image)
plt.title('Original Image')
plt.axis('off')
plt.show()
image array = np.array(original image)
height, width, channels = image array.shape
pixels = image array.reshape((-1, channels))
n colors = 16  # Adjust this parameter for desired compression level
```

```
kmeans = KMeans(n clusters=n colors, random state=42)
kmeans.fit(pixels)
compressed pixels = kmeans.cluster centers [kmeans.labels ]
compressed image = compressed pixels.reshape((height, width,
channels)).astype(np.uint8)
compressed image = Image.fromarray(compressed image)
# Display the compressed image
plt.figure(figsize=(6, 6))
plt.imshow(compressed image)
plt.title(f'Compressed Image ({n colors} colors)')
plt.axis('off')
plt.show()
original size = original width * original height * channels
compressed size = len(kmeans.labels ) * (n colors + 1)  # Each pixel needs
n colors + 1 bits (index + cluster center)
compression ratio = original size / compressed size
print(f"Compression Ratio: {compression ratio:.2f}")
```

3. Anomaly Detection:

- Practical: Detect anomalies or outliers in data using K-means clustering to identify unusual patterns or data points.
- Dataset: The "Credit Card Fraud Detection" dataset from Kaggle includes transactional data with potential anomalies related to fraudulent activities. Dataset link

```
pip install numpy pandas matplotlib scikit-learn seaborn import pandas as pd import numpy as np import matplotlib.pyplot as plt from sklearn.cluster import KMeans from sklearn.preprocessing import StandardScaler from sklearn.decomposition import PCA
```

```
import seaborn as sns
# Load the Credit Card Fraud Detection dataset
df =
pd.read csv('https://storage.googleapis.com/download.tensorflow.org/data/c
reditcard.csv')
print(df.head())
print(df.info())
df.drop('Time', axis=1, inplace=True)
# Standardize the features (mean=0, std=1) using StandardScaler
scaler = StandardScaler()
X = scaler.fit transform(df.drop('Class', axis=1))  # 'Class' is the
target variable (0: non-fraud, 1: fraud)
# Reduce dimensionality using PCA for visualization
pca = PCA(n components=2)
X pca = pca.fit transform(X)
kmeans = KMeans(n clusters=2, random state=42)
kmeans.fit(X)
# Assign each data point to its nearest cluster center
df['Cluster'] = kmeans.labels
plt.figure(figsize=(10, 6))
sns.scatterplot(x=X pca[:, 0], y=X pca[:, 1], hue=df['Cluster'],
palette='viridis', alpha=0.7)
plt.title('Anomaly Detection using K-means Clustering')
plt.xlabel('Principal Component 1')
plt.ylabel('Principal Component 2')
plt.legend(['Cluster 0', 'Cluster 1'], loc='best')
plt.show()
```

```
# Check the distribution of fraud and non-fraud transactions in each
cluster
fraud_distribution = df.groupby(['Cluster', 'Class']).size().unstack()
print(fraud_distribution)
```

4. Market Segmentation:

- Practical: Cluster market data (e.g., products, customers) using K-means clustering to identify distinct market segments.
- O Dataset: The "Online Retail" dataset from the UCI Machine Learning Repository contains transactional data from an online retail store, suitable for market segmentation analysis. Dataset link

```
import pandas as pd
import numpy as np
from sklearn.cluster import KMeans
from sklearn.preprocessing import StandardScaler
import matplotlib.pyplot as plt
import seaborn as sns
df =
pd.read excel('http://archive.ics.uci.edu/ml/machine-learning-databases/00
352/Online%20Retail.xlsx')
print(df.head())
print(df.info())
df cleaned = df.dropna() # Drop rows with missing values
df_cleaned = df_cleaned[df_cleaned['Quantity'] > 0] # Keep only positive
quantity values
df cleaned['TotalSales'] = df cleaned['Quantity'] *
df cleaned['UnitPrice']
customer sales =
df cleaned.groupby('CustomerID')['TotalSales'].sum().reset index()
```

```
X = customer sales[['TotalSales']]
scaler = StandardScaler()
X scaled = scaler.fit transform(X)
kmeans = KMeans(n clusters=4, random state=42)
kmeans.fit(X scaled)
customer sales['Cluster'] = kmeans.labels
# Visualize the clusters
plt.figure(figsize=(10, 6))
sns.scatterplot(x='CustomerID', y='TotalSales', hue='Cluster',
data=customer sales, palette='viridis')
plt.title('Market Segmentation using K-means Clustering')
plt.xlabel('CustomerID')
plt.ylabel('Total Sales')
plt.legend(title='Cluster', loc='best')
plt.show()
cluster stats = customer sales.groupby('Cluster')['TotalSales'].describe()
print(cluster stats)
```