

Tuesday, 6 December 2022 12:42 AM

1. *Journal of Management Studies*, 1997, 34, 1, 1-15.

Questions solved in this Assignment.

→ T1 Question Paper Solution

Q1 a) Linear Regression can be used to predict the Stock prices of NIFTY. LR is a type of Supervised learning technique.

b) Parameters used to predict the prices can be

- ① opening price of a stock
- ② highest price possible at any time.
- ③ lowest ~ ~ ~ ~ ~
- ④ Closing ~ of stock.

c) Yes, there is a limitation with Linear Regression. It is limited to linear relationships only. By its nature linear Regression only looks at linear relationship between dependent & independent variable & ignores any non-linear relationship.

Q2 There are 5 stages in machine learning project life cycle.

① Project Initiation

- this step involves 3 major things

- Idea
- Requirements
- Data Acquisition.

- Idea is developed & analysed so that the project requirements are clear & data can be acquired which basically is the back-bone of any ML project.

② Data Exploration: here in this phase the data acquired is explored in depth to understand the nature of the data. the kind of relationship its attributes hold etc.

③ data preprocessing & feature selection

- This phase involves

- Removing irrelevant features from dataset.
- handling NULL or missing values.
- Reducing the size of dataset.
- transform categorical variable to numerical.
- Normalising data points.

④ Model Development

now the actual model is developed while choosing the algo we consider!

- Data Size
- Type of problem
- Availability of packages.

⑤ Model Evaluation

- In this phase the model is evaluated based on its prediction accuracy by multiple metrics, such as precision, recall, F1-score, etc.

Q3

X	Y	distance from 6.5
1	23	5.5
1.2	17	5.3
3.2	12	3.3
4	27	2.5
5.1	8	1.4
6.5	7	0

If $K = 5$ then all are selected.

then prediction is $\frac{23+17+12+27+8}{5}$
 $= 17.8$

Q4) Advantages \rightarrow

- ① No training period.
- ② It also due to that data can be added to the dataset at any time
- ③ Very easy to implement

Dis-Advantages →

- ① Does not work well with large datasets.
- ② Does not work well with v. large datasets.
- ③ Need feature scaling.
- ④ Sensitive to missing noisy data & outliers.

→ best way to use KNN so it works best is by choosing the right value of k .