# Decision Tree Algorithm, Explained

*All you need to know about decision trees and how to build and optimize decision tree classifier.*

By **[Nagesh Singh Chauhan](https://www.kdnuggets.com/author/nagesh-chauhan" \o "Posts by Nagesh Singh Chauhan)**, KDnuggets on February 9, 2022 in [**Machine Learning**](https://www.kdnuggets.com/tag/machine-learning)

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### Introduction

Classification is a two-step process, learning step and prediction step, in machine learning. In the learning step, the model is developed based on given training data. In the prediction step, the model is used to predict the response for given data. Decision Tree is one of the easiest and popular classification algorithms to understand and interpret.

### Decision Tree Algorithm

Decision Tree algorithm belongs to the family of supervised learning algorithms. Unlike other supervised learning algorithms, the decision tree algorithm can be used for solving **regression and classification problems** too.

The goal of using a Decision Tree is to create a training model that can use to predict the class or value of the target variable by **learning simple decision rules** inferred from prior data(training data).

In Decision Trees, for predicting a class label for a record we start from the **root** of the tree. We compare the values of the root attribute with the record’s attribute. On the basis of comparison, we follow the branch corresponding to that value and jump to the next node.

### Types of Decision Trees

Types of decision trees are based on the type of target variable we have. It can be of two types:

1. **Categorical Variable Decision Tree:**Decision Tree which has a categorical target variable then it called a **Categorical variable decision tree.**
2. **Continuous Variable Decision Tree:**Decision Tree has a continuous target variable then it is called **Continuous Variable Decision Tree.**

**Example:-** Let’s say we have a problem to predict whether a customer will pay his renewal premium with an insurance company (yes/ no). Here we know that the income of customers is a significant variable but the insurance company does not have income details for all customers. Now, as we know this is an important variable, then we can build a decision tree to predict customer income based on occupation, product, and various other variables. In this case, we are predicting values for the continuous variables.

### Important Terminology related to Decision Trees

1. **Root Node:**It represents the entire population or sample and this further gets divided into two or more homogeneous sets.
2. **Splitting:**It is a process of dividing a node into two or more sub-nodes.
3. **Decision Node:**When a sub-node splits into further sub-nodes, then it is called the decision node.
4. **Leaf / Terminal Node:**Nodes do not split is called Leaf or Terminal node.
5. **Pruning:**When we remove sub-nodes of a decision node, this process is called pruning. You can say the opposite process of splitting.
6. **Branch / Sub-Tree:**A subsection of the entire tree is called branch or sub-tree.
7. **Parent and Child Node:**A node, which is divided into sub-nodes is called a parent node of sub-nodes whereas sub-nodes are the child of a parent node.

Decision trees classify the examples by sorting them down the tree from the root to some leaf/terminal node, with the leaf/terminal node providing the classification of the example.

Each node in the tree acts as a test case for some attribute, and each edge descending from the node corresponds to the possible answers to the test case. This process is recursive in nature and is repeated for every subtree rooted at the new node.

### Assumptions while creating Decision Tree

Below are some of the assumptions we make while using Decision tree:

* In the beginning, the whole training set is considered as the **root.**
* Feature values are preferred to be categorical. If the values are continuous then they are discretized prior to building the model.
* Records are **distributed recursively** on the basis of attribute values.
* Order to placing attributes as root or internal node of the tree is done by using some statistical approach.

Decision Trees follow **Sum of Product (SOP) r**epresentation. The Sum of product (SOP) is also known as **Disjunctive Normal Form**. For a class, every branch from the root of the tree to a leaf node having the same class is conjunction (product) of values, different branches ending in that class form a disjunction (sum).

The primary challenge in the decision tree implementation is to identify which attributes do we need to consider as the root node and each level. Handling this is to know as the attributes selection. We have different attributes selection measures to identify the attribute which can be considered as the root note at each level.