test important classification algorithms

May 2, 2020

- 1 In this notebook we test important classification algorithms.
- 2 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.
- 3 Enjoy
- 4 RS
- 5 Lets first load required libraries:

```
[1]: 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
```

5.0.1 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

Field	Description
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

[2]: |wget -0 loan_train.csv https://s3-api.us-geo.objectstorage.softlayer.net/ -cf-courses-data/CognitiveClass/ML0101ENv3/labs/loan_train.csv

--2018-06-12 16:16:44-- https://s3-api.us-geo.objectstorage.softlayer.net/cf-courses-data/CognitiveClass/ML0101ENv3/labs/loan_train.csv
Resolving s3-api.us-geo.objectstorage.softlayer.net... 67.228.254.193
Connecting to s3-api.us-geo.objectstorage.softlayer.net|67.228.254.193|:443...
connected.

HTTP request sent, awaiting response... 200 OK

Length: 23101 (23K) [text/csv]
Saving to: 'loan_train.csv'

loan_train.csv 100%[============] 22.56K 63.3KB/s in 0.4s

2018-06-12 16:16:45 (63.3 KB/s) - 'loan_train.csv' saved [23101/23101]

5.0.2 Load Data From CSV File

```
[3]: df = pd.read_csv('loan_train.csv')
    df.head()
```

		, 110 a a ()								
3]:		Unnamed: 0	Unr	named:	0.1	loan_status	Principal	terms	effective_date	\
	0	0			0	PAIDOFF	1000	30	9/8/2016	
	1	2			2	PAIDOFF	1000	30	9/8/2016	
	2	3			3	PAIDOFF	1000	15	9/8/2016	
	3	4			4	PAIDOFF	1000	30	9/9/2016	
	4	6			6	PAIDOFF	1000	30	9/9/2016	
		due_date	age			education	Gender			
	0	10/7/2016	45	High	Scho	ol or Below	male			
	1	10/7/2016	33			Bechalor	female			
	2	9/22/2016	27			college	male			
	3	10/8/2016	28			college	female			
	4	10/8/2016	29			college	male			

[4]: df.shape

```
[4]: (346, 10)
```

5.0.3 Convert to date time object

```
[5]: df['due_date'] = pd.to_datetime(df['due_date'])
     df['effective_date'] = pd.to_datetime(df['effective_date'])
     df.head()
[5]:
        Unnamed: 0
                     Unnamed: 0.1 loan_status
                                                 Principal
                                                             terms effective_date
                  0
                                 0
                                                                30
                                                                       2016-09-08
                                       PAIDOFF
                                                      1000
     1
                  2
                                 2
                                                      1000
                                                                30
                                                                       2016-09-08
                                       PAIDOFF
     2
                  3
                                 3
                                       PAIDOFF
                                                      1000
                                                                15
                                                                       2016-09-08
     3
                  4
                                 4
                                                      1000
                                                                30
                                                                       2016-09-09
                                       PAIDOFF
     4
                  6
                                 6
                                                                30
                                                                       2016-09-09
                                       PAIDOFF
                                                      1000
         due_date
                    age
                                     education
                                                 Gender
     0 2016-10-07
                     45
                         High School or Below
                                                   male
     1 2016-10-07
                     33
                                      Bechalor
                                                 female
     2 2016-09-22
                     27
                                       college
                                                   male
     3 2016-10-08
                     28
                                       college
                                                 female
     4 2016-10-08
```

college

male

Data visualization and pre-processing

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

```
[6]: df['loan_status'].value_counts()
```

[6]: PAIDOFF 260 COLLECTION 86

Name: loan_status, dtype: int64

29

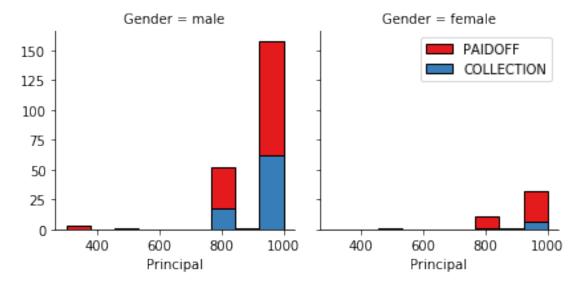
260 people have paid off the loan on time while 86 have gone into collection

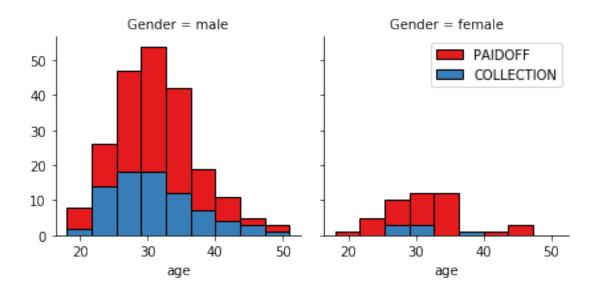
Lets plot some columns to underestand data better:

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

Solving environment: done

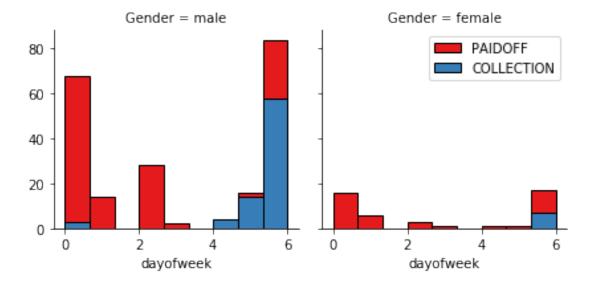
All requested packages already installed.





7 Pre-processing: Feature selection/extraction

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



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

```
[11]: df['weekend'] = df['dayofweek'].apply(lambda x: 1 if (x>3)
      df.head()
[11]:
         Unnamed: 0
                      Unnamed: 0.1 loan_status
                                                               terms effective_date
                                                   Principal
                                                                          2016-09-08
                   0
                                   0
                                         PAIDOFF
                                                         1000
                                                                  30
                   2
                                   2
      1
                                         PAIDOFF
                                                         1000
                                                                  30
                                                                          2016-09-08
      2
                   3
                                   3
                                         PAIDOFF
                                                         1000
                                                                  15
                                                                          2016-09-08
      3
                   4
                                   4
                                         PAIDOFF
                                                         1000
                                                                  30
                                                                          2016-09-09
                   6
                                   6
      4
                                         PAIDOFF
                                                         1000
                                                                  30
                                                                          2016-09-09
          due_date
                     age
                                       education
                                                   Gender
                                                            dayofweek
                                                                        weekend
      0 2016-10-07
                       45
                           High School or Below
                                                                     3
                                                                              0
                                                     male
      1 2016-10-07
                       33
                                        Bechalor
                                                   female
                                                                     3
                                                                              0
                                                                              0
      2 2016-09-22
                                         college
                                                     male
                                                                     3
                       27
      3 2016-10-08
                                         college
                                                                     4
                       28
                                                   female
                                                                              1
      4 2016-10-08
                                         college
                       29
                                                     male
                                                                              1
```

Convert Categorical features to numerical values

3

4

Lets look at gender:

3

4

2

3

```
[12]: df.groupby(['Gender'])['loan_status'].value_counts(normalize=True)
[12]: Gender
              loan_status
      female
              PAIDOFF
                               0.865385
              COLLECTION
                               0.134615
      male
              PAIDOFF
                               0.731293
                               0.268707
               COLLECTION
      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:
[13]: df['Gender'].replace(to_replace=['male', 'female'], value=[0,1],inplace=True)
      df.head()
[13]:
         Unnamed: 0
                      Unnamed: 0.1 loan_status
                                                  Principal
                                                              terms effective_date
                   0
                                         PAIDOFF
                                                       1000
                                                                 30
                                                                         2016-09-08
      1
                   2
                                  2
                                                       1000
                                                                 30
                                        PAIDOFF
                                                                         2016-09-08
```

1000

1000

15

30

2016-09-08

2016-09-09

PAIDOFF

PAIDOFF

4	6		6	PAIDOFF	10	00 30	2016-09-0	09
	due_date	age	e	ducation	Gender	dayofweek	weekend	
0	2016-10-07	45	High School	or Below	0	3	0	
1	2016-10-07	33		Bechalor	1	3	0	
2	2016-09-22	27		college	0	3	0	
3	2016-10-08	28		college	1	4	1	
4	2016-10-08	29		college	0	4	1	

One Hot Encoding

How about education?

```
[14]: df.groupby(['education'])['loan_status'].value_counts(normalize=True)
```

```
[14]: education
                            loan_status
     Bechalor
                            PAIDOFF
                                            0.750000
                                            0.250000
                            COLLECTION
     High School or Below PAIDOFF
                                            0.741722
                                            0.258278
                            COLLECTION
      Master or Above
                            COLLECTION
                                            0.500000
                            PAIDOFF
                                            0.500000
      college
                            PAIDOFF
                                            0.765101
                            COLLECTION
                                            0.234899
```

Name: loan_status, dtype: float64

Feature befor One Hot Encoding

```
[15]: df[['Principal', 'terms', 'age', 'Gender', 'education']].head()
```

[15]:	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

```
[16]: 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()
```

```
[16]:
                                            weekend Bechalor High School or Below
          Principal
                                   Gender
                      terms
                              age
      0
               1000
                                         0
                         30
                               45
                                                   0
               1000
                                         1
                                                   0
                                                                                        0
      1
                         30
                               33
                                                               1
      2
               1000
                         15
                               27
                                         0
                                                   0
                                                               0
                                                                                        0
      3
               1000
                               28
                                         1
                                                    1
                                                               0
                                                                                        0
                         30
      4
               1000
                         30
                               29
                                         0
                                                    1
                                                               0
                                                                                        0
          college
      0
                0
                0
      1
      2
                1
      3
                1
      4
                1
```

7.2.1 Feature selection

Lets defind feature sets, X:

```
[17]:
                                            weekend Bechalor High School or Below
         Principal
                      terms
                              age
                                   Gender
               1000
                                         0
      0
                         30
                               45
                                                   0
                                                              0
      1
               1000
                         30
                               33
                                         1
                                                   0
                                                              1
                                                                                       0
      2
               1000
                               27
                                         0
                                                   0
                                                              0
                                                                                       0
                         15
      3
               1000
                         30
                               28
                                         1
                                                   1
                                                              0
                                                                                       0
      4
               1000
                         30
                               29
                                         0
                                                   1
                                                              0
                                                                                       0
```

```
college
0 0
1 0
2 1
3 1
4 1
```

What are our lables?

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

```
[18]: array(['PAIDOFF', 'PAIDOFF', 'PAIDOFF', 'PAIDOFF', 'PAIDOFF'], dtype=object)
```

7.3 Normalize Data

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

8 Classification

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

9 K Nearest Neighbor(KNN)

We should find the best k to build the model with the best accuracy. We should split our train_loan.csv into train and test to find the best k.

```
[45]: KNeighborsClassifier(algorithm='auto', leaf_size=30, metric='minkowski',
                metric_params=None, n_jobs=1, n_neighbors=3, p=2,
                weights='uniform')
[46]: # just for sanity chaeck
     yhat = kNN_model.predict(X_test)
     yhat[0:5]
[46]: array(['PAIDOFF', 'PAIDOFF', 'PAIDOFF', 'PAIDOFF'], dtype=object)
[67]: # Best k
     Ks=15
     mean_acc=np.zeros((Ks-1))
     std_acc=np.zeros((Ks-1))
     ConfustionMx=[];
     for n in range(1,Ks):
         #Train Model and Predict
         kNN_model = KNeighborsClassifier(n_neighbors=n).fit(X_train,y_train)
         yhat = kNN_model.predict(X_test)
         mean_acc[n-1]=np.mean(yhat==y_test);
         std_acc[n-1]=np.std(yhat==y_test)/np.sqrt(yhat.shape[0])
     mean_acc
[67]: array([ 0.67142857, 0.65714286, 0.71428571, 0.68571429, 0.75714286,
             0.71428571, 0.78571429, 0.75714286, 0.75714286, 0.67142857,
                                             , 0.7
             0.7
                      , 0.72857143, 0.7
                                                              ])
[68]: # Building the model again, using k=7
     from sklearn.neighbors import KNeighborsClassifier
     k = 7
     #Train Model and Predict
     kNN model = KNeighborsClassifier(n_neighbors=k).fit(X_train,y_train)
     kNN_model
[68]: KNeighborsClassifier(algorithm='auto', leaf_size=30, metric='minkowski',
                metric_params=None, n_jobs=1, n_neighbors=7, p=2,
                weights='uniform')
```

10 Decision Tree

```
[84]: from sklearn.tree import DecisionTreeClassifier
     DT_model = DecisionTreeClassifier(criterion="entropy", max_depth = 4)
     DT_model.fit(X_train,y_train)
     DT_model
[84]: DecisionTreeClassifier(class_weight=None, criterion='entropy', max_depth=4,
                 max_features=None, max_leaf_nodes=None,
                 min_impurity_decrease=0.0, min_impurity_split=None,
                 min_samples_leaf=1, min_samples_split=2,
                 min_weight_fraction_leaf=0.0, presort=False, random_state=None,
                 splitter='best')
[85]: yhat = DT_model.predict(X_test)
     yhat
[85]: array(['COLLECTION', 'COLLECTION', 'PAIDOFF', 'PAIDOFF', 'PAIDOFF',
             'PAIDOFF', 'PAIDOFF', 'PAIDOFF', 'COLLECTION', 'PAIDOFF',
             'COLLECTION', 'PAIDOFF', 'PAIDOFF', 'PAIDOFF', 'PAIDOFF',
             'COLLECTION', 'PAIDOFF', 'COLLECTION', 'PAIDOFF', 'PAIDOFF',
             'COLLECTION', 'COLLECTION', 'COLLECTION', 'PAIDOFF', 'COLLECTION',
             'COLLECTION', 'PAIDOFF', 'COLLECTION', 'PAIDOFF', 'COLLECTION',
             'COLLECTION', 'COLLECTION', 'PAIDOFF', 'PAIDOFF', 'PAIDOFF',
             'COLLECTION', 'PAIDOFF', 'COLLECTION', 'PAIDOFF', 'COLLECTION',
             'PAIDOFF', 'PAIDOFF', 'COLLECTION', 'PAIDOFF', 'COLLECTION',
             'COLLECTION', 'COLLECTION', 'PAIDOFF', 'PAIDOFF', 'PAIDOFF',
             'PAIDOFF', 'PAIDOFF', 'PAIDOFF', 'PAIDOFF', 'PAIDOFF',
             'PAIDOFF', 'COLLECTION', 'PAIDOFF', 'PAIDOFF', 'PAIDOFF',
             'COLLECTION', 'PAIDOFF', 'COLLECTION', 'PAIDOFF', 'COLLECTION',
             'PAIDOFF', 'PAIDOFF'], dtype=object)
```

11 Support Vector Machine

```
[82]: array(['COLLECTION', 'PAIDOFF', '
```

12 Logistic Regression

```
[80]: from sklearn.linear_model import LogisticRegression
LR_model = LogisticRegression(C=0.01).fit(X_train,y_train)
LR_model
```

```
[81]: yhat = LR_model.predict(X_test)
yhat
```

```
[81]: array(['COLLECTION', 'PAIDOFF', 'COLLECTION', 'PAIDOFF', 'PAIDOFF', 'PAIDOFF', 'COLLECTION', 'PAIDOFF', 'PAIDOFF',
```

13 Model Evaluation using Test set

```
[93]: 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:

```
[94]: | wget -0 loan_test.csv https://s3-api.us-geo.objectstorage.softlayer.net/

-cf-courses-data/CognitiveClass/ML0101ENv3/labs/loan_test.csv
```

13.0.1 Load Test set for evaluation

```
[100]: test_df = pd.read_csv('loan_test.csv')
       test_df.head()
[100]:
         Unnamed: 0 Unnamed: 0.1 loan_status Principal terms effective_date \
                                                     1000
                                                              30
       0
                  1
                                 1
                                       PAIDOFF
                                                                       9/8/2016
                  5
                                5
                                       PAIDOFF
                                                      300
                                                              7
                                                                       9/9/2016
       1
                                                     1000
                                                              30
       2
                 21
                                21
                                       PAIDOFF
                                                                      9/10/2016
       3
                 24
                                24
                                                     1000
                                                              30
                                                                      9/10/2016
                                       PAIDOFF
                 35
                                35
                                       PAIDOFF
                                                      800
                                                              15
                                                                      9/11/2016
          due_date
                                     education Gender
                     age
       0 10/7/2016
                     50
                                      Bechalor female
       1 9/15/2016
                      35
                               Master or Above
                                                  male
       2 10/9/2016
                     43 High School or Below female
       3 10/9/2016
                      26
                                       college
                                                  male
       4 9/25/2016
                      29
                                     Bechalor
                                                  male
```

```
[101]: ## Preprocessing
test_df['due_date'] = pd.to_datetime(test_df['due_date'])
```

```
test_df['effective_date'] = pd.to_datetime(test_df['effective_date'])
      test_df['dayofweek'] = test_df['effective_date'].dt.dayofweek
      test_df['weekend'] = test_df['dayofweek'].apply(lambda x: 1 if (x>3) else 0)
      test_df['Gender'].replace(to_replace=['male','female'],__
       →value=[0,1],inplace=True)
      test Feature = test df[['Principal','terms','age','Gender','weekend']]
      test_Feature = pd.concat([test_Feature,pd.get_dummies(test_df['education'])],__
       →axis=1)
      test_Feature.drop(['Master or Above'], axis = 1,inplace=True)
      test_X = preprocessing.StandardScaler().fit(test_Feature).
       →transform(test_Feature)
      test X[0:5]
[101]: array([[ 0.49362588,  0.92844966,  3.05981865,  1.97714211, -1.30384048,
               2.39791576, -0.79772404, -0.86135677],
              [-3.56269116, -1.70427745, 0.53336288, -0.50578054, 0.76696499,
              -0.41702883, -0.79772404, -0.86135677],
              [0.49362588, 0.92844966, 1.88080596, 1.97714211, 0.76696499,
              -0.41702883, 1.25356634, -0.86135677],
              [0.49362588, 0.92844966, -0.98251057, -0.50578054, 0.76696499,
              -0.41702883, -0.79772404, 1.16095912],
              [-0.66532184, -0.78854628, -0.47721942, -0.50578054, 0.76696499,
               2.39791576, -0.79772404, -0.86135677]])
[102]: test_y = test_df['loan_status'].values
      test_y[0:5]
[102]: array(['PAIDOFF', 'PAIDOFF', 'PAIDOFF', 'PAIDOFF'], dtype=object)
[103]: knn_yhat = kNN_model.predict(test_X)
      print("KNN Jaccard index: %.2f" % jaccard_similarity_score(test_y, knn_yhat))
      print("KNN F1-score: %.2f" % f1_score(test_y, knn_yhat, average='weighted') )
      KNN Jaccard index: 0.67
      KNN F1-score: 0.63
[104]: DT_yhat = DT_model.predict(test_X)
      print("DT Jaccard index: %.2f" % jaccard_similarity_score(test_y, DT_yhat))
      print("DT F1-score: %.2f" % f1_score(test_y, DT_yhat, average='weighted') )
      DT Jaccard index: 0.72
      DT F1-score: 0.74
[105]: SVM_yhat = SVM_model.predict(test_X)
      print("SVM Jaccard index: %.2f" % jaccard_similarity_score(test_y, SVM_yhat))
      print("SVM F1-score: %.2f" % f1_score(test_y, SVM_yhat, average='weighted') )
```

SVM Jaccard index: 0.80 SVM F1-score: 0.76

```
[106]: LR_yhat = LR_model.predict(test_X)
    LR_yhat_prob = LR_model.predict_proba(test_X)
    print("LR Jaccard index: %.2f" % jaccard_similarity_score(test_y, LR_yhat))
    print("LR F1-score: %.2f" % f1_score(test_y, LR_yhat, average='weighted'))
    print("LR LogLoss: %.2f" % log_loss(test_y, LR_yhat_prob))
```

LR Jaccard index: 0.74 LR F1-score: 0.66 LR LogLoss: 0.57

14 Report

Report the accuracy of the built model using different evaluation metrics:

Algorithm	Jaccard	F1-score	LogLoss
KNN	0.67	0.63	NA
Decision Tree	0.72	0.74	NA
SVM	0.80	0.76	NA
${\bf Logistic Regression}$	0.74	0.66	0.57

[]: