

Question 1:

Problem Statement - Part II

What is the optimal value of alpha for ridge and lasso regression? What will be the changes in the model if you choose double the value of alpha for both ridge and lasso? What will be the most important predictor variables after the change is implemented?

Answer1:

Optimal value of alpha for ridge: **10**

Optimal value of alpha for ridge: **100**

After make the double alpha for ridge and lasso i.e. **20 and 200 For Ridge:**

Question 2:

You have determined the optimal value of lambda for ridge and lasso regression during the assignment. Now, which one will you choose to apply and why?

Answer 2:

We will choose **Lasso** as its giving **feature selection** option also. It has removed unwanted features from model without affecting the model accuracy. Which makes are model generalized and simple and accurate.

Question 3

After building the model, you realised that the five most important predictor variables in the lasso model are not available in the incoming data. You will now have to create another model excluding the five most important predictor variables. Which are the five most important predictor variables now?

Answer 3:

drop from .807 to 0.45 Coeff values are increasing as alpha will increase.r2_score of train data is also

For Lasso: As alpha value increased more features removed from model. But r2score is also dropped by 1% in both test and train data

Top Features: Neighborhood_NoRidge, OverallQual, Neighborhood_ClearCr, Exterior1st_BrkFace, Foundation_Slab

Top 5 features are Neighborhood_NoRidge, OverallQual, Neighborhood_ClearCr, Exterior1st_BrkFace, Foundation_Slab. After dropping them model accuracy reduced from 80 and 81% to 55% and 58%. Now top most features are:

Next top 5 features after dropping 5 main predictors KitchenQual, GarageCars, BsmtQual, Exterior2nd_CmentBd, 2ndFlrSF

Question 4:

How can you make sure that a model is robust and generalisable? What are the implications of the same for the accuracy of the model and why?

Answer 4:

To make model robust and generalisable 3 features are required:

1. **Model accuracy** should be $> 70-75\%$:
2. **P-value** of all the features is < 0.05
3. **VIF** of all the features are < 5

Thus we are sure that model is robust and generalisable.