

Assignment No - 05 (Group A)

Problem statement:

Data Analytics II

1. Implement logistic regression using Python/R to perform classification on Social_Network_Ads.csv dataset.
2. Compute Confusion matrix to find TP, FP, TN, FN, Accuracy, Error rate, Precision, Recall on the given dataset.

Pre-requisite

1. Basic of Python Programming
2. Concept of Logistic Regression

Objective

Students should be able to data analysis using logistic regression using Python for any open source dataset

Software and Hardware requirements:-

1. **Operating system:** Linux- Ubuntu 16.04 to 17.10, or Windows 7 to 10,
2. **RAM-** 2GB RAM (4GB preferable)
3. **IDE :-** Anaconda Jupiter Notebook / pycharm / Visual Studio

Theory

1. Logistic Regression:

Classification techniques are an essential part of machine learning and data mining applications. Approximately 70% of problems in Data Science are classification problems. There are lots of classification problems that are available, but logistic regression is common and is a useful regression method for solving the binary classification problem. Another category of classification is Multinomial classification, which handles the issues where multiple classes are present in the target variable. For example, the IRIS dataset is a very famous example of multi-class classification. Other examples are classifying article/blog/document categories.

Logistic Regression can be used for various classification problems such as spam detection. Diabetes prediction, if a given customer will purchase a particular product or will

they churn another competitor, whether the user will click on a given advertisement link or not, and many more examples are in the bucket.

Logistic Regression is one of the most simple and commonly used Machine Learning algorithms for two-class classification. It is easy to implement and can be used as the baseline for any binary classification problem. Its basic fundamental concepts are also constructive in deep learning. Logistic regression describes and estimates the relationship between one dependent binary variable and independent variables.

Logistic regression is a statistical method for predicting binary classes. The outcome or target variable is dichotomous in nature. Dichotomous means there are only two possible classes. For example, it can be used for cancer detection problems. It computes the probability of an event occurring.

It is a special case of linear regression where the target variable is categorical in nature. It uses a log of odds as the dependent variable. Logistic Regression predicts the probability of occurrence of a binary event utilising a logic function.

Linear Regression Equation:

$$y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_n X_n$$

Where, y is a dependent variable and $x_1, x_2 \dots$ and X_n are explanatory variables.

Sigmoid Function:

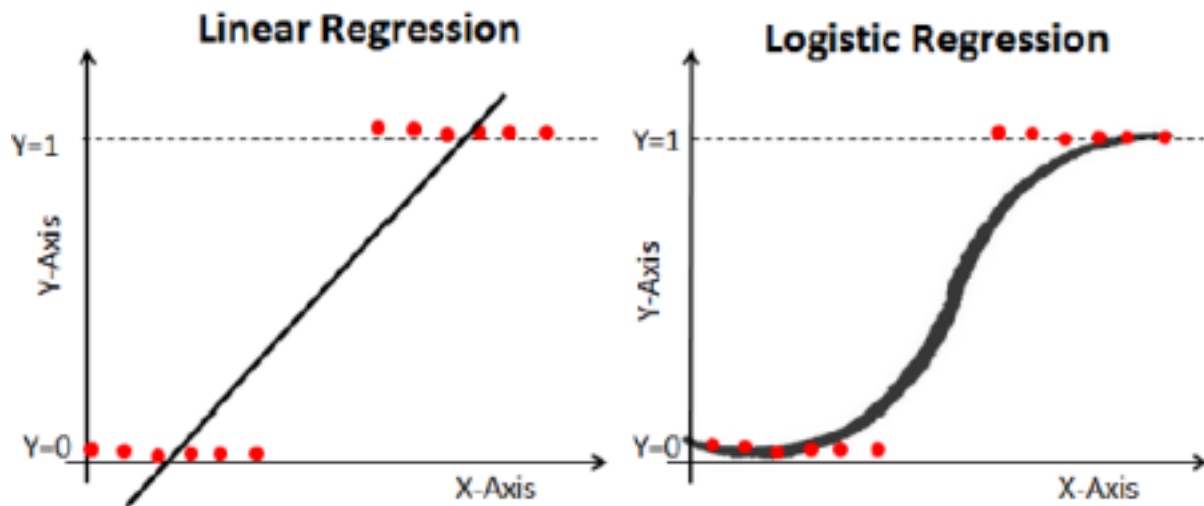
$$p = 1 / (1 + e^{-y})$$

Apply Sigmoid function on linear regression:

$$p = 1 / (1 + e^{-(\beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_n X_n)})$$

2. Differentiate between Linear and Logistic Regression

Linear regression gives you a continuous output, but logistic regression provides a constant output. An example of the continuous output is house price and stock price. Example's of the discrete output is predicting whether a patient has cancer or not, predicting whether the customer will churn. Linear regression is estimated using Ordinary Least Squares (OLS) while logistic regression is estimated using Maximum Likelihood Estimation (MLE) approach.

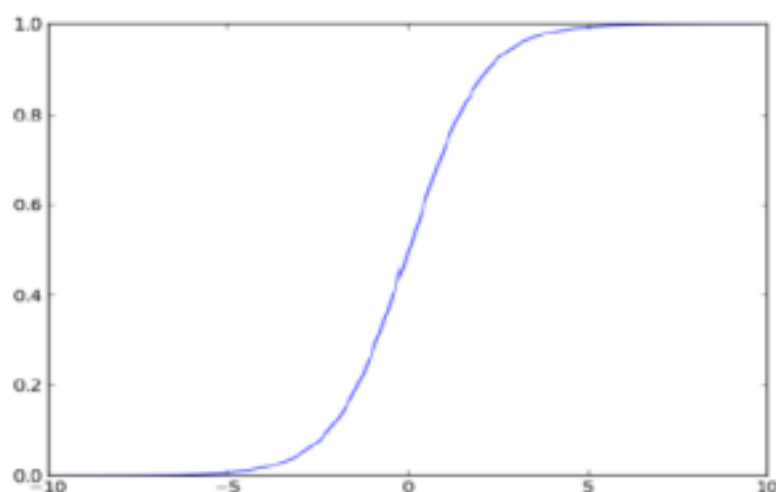


3. Sigmoid Function

The sigmoid function, also called logistic function, gives an 'S' shaped curve that can take any real-valued number and map it into a value between 0 and 1. If the curve goes to positive infinity, y predicted will become 1, and if the curve goes to negative infinity, y predicted will become 0.

If the output of the sigmoid function is more than 0.5, we can classify the outcome as 1 or YES, and if it is less than 0.5, we can classify it as 0 or NO. The output cannot For example: If the output is 0.75, we can say in terms of probability as: There is a 75 percent chance that a patient will suffer from cancer.

$$f(x) = \frac{1}{1 + e^{-(x)}}$$



4. Types of Logistic Regression:-

Binary Logistic Regression: The target variable has only two possible outcomes such as Spam or Not Spam, Cancer or No Cancer.

Multinomial Logistic Regression: The target variable has three or more nominal categories such as predicting the type of Wine.

Ordinal Logistic Regression: the target variable has three or more ordinal categories such as restaurant or product rating from 1 to 5.

Confusion Matrix Evaluation Metrics

Confusion matrix contains information about actual and predicted classifications done by a classification system. Performance of such systems is commonly evaluated using the data in the matrix. The following table shows the confusion matrix for a two class classifier.

		predicted		
actual	n	TP	FN	P
		FP	TN	N

Confusion Matrix

Here each row indicates the actual classes recorded in the test data set and the each column indicates the classes as predicted by the classifier.

Numbers on the descending diagonal indicate correct predictions, while the ascending diagonal concerns prediction errors.

Some Important measures derived from confusion matrix are:

Number of positive (Pos) :

Total number instances which are labelled as positive in a given dataset.

Number of negative (Neg) :

Total number instances which are labelled as negative in a given dataset.

Number of True Positive (TP) :

Number of instances which are actually labelled as positive and the predicted class by classifier is also positive.

Number of True Negative (TN) :

Number of instances which are actually labelled as negative and the predicted class by classifier is also negative.

Number of False Positive (FP) :

Number of instances which are actually labelled as negative and the predicted class by classifier is positive.

Number of False Negative (FN):

Number of instances which are actually labelled as positive and the class predicted by the classifier is negative.

Accuracy:

Accuracy is calculated as the number of correctly classified instances divided by total number of instances.

The ideal value of accuracy is 1, and the worst is 0. It is also calculated as the sum of true positive and true negative (TP + TN) divided by the total number of instances.

$$acc = \frac{TP+TN}{TP+FP+TN+FN} = \frac{TP+TN}{Pos+Neg}$$

Error Rate:

Error Rate is calculated as the number of incorrectly classified instances divided by total number of instances.

The ideal value of accuracy is 0, and the worst is 1. It is also calculated as the sum of false positive and false negative (FP + FN) divided by the total number of instances

$$err = \frac{FP+FN}{TP+FP+TN+FN} = \frac{FP+FN}{Pos+Neg} \quad \text{Or} \quad err = 1 - acc$$

Precision:

It is calculated as the number of correctly classified positive instances divided by the total number of instances which are predicted positive. It is also called confidence value. The ideal value is 1, whereas the worst is 0.

Recall:

It is calculated as the number of correctly classified positive instances divided by the

$$precision = \frac{TP}{TP+FP}$$

total number of positive instances. It is also called recall or sensitivity. The ideal value of sensitivity is 1, whereas the worst is 0.

It is calculated as the number of correctly classified positive instances divided by the total number of positive instances.

$$recall = \frac{TP}{TP+FN}$$

Conclusion:

In this way we have done data analysis using logistic regression for Social Media Adv.

and evaluate the performance of model.