Congratulations! You passed!
Grade received 83.33%
To pass 80% or higher
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1. Which of the following statements is true? Select all that apply. 0.75 / 1 point

- [x] One hot encoding is a data transformation technique.

  Correct
  One hot encoding is a data transformation technique that allows data professionals to turn one categorical variable into several binary variables.

- [x] One hot encoding is a categorical transformation technique.

  This should not be selected
  One hot encoding is a data transformation technique that allows data professionals to turn one categorical variable into several binary variables.

- [ ] One hot encoding allows data professionals to turn several categorical variables into one binary variable.
- [x] One hot encoding allows data professionals to turn one categorical variable into several binary variables.

  Correct
  One hot encoding is a data transformation technique that allows data professionals to turn one categorical variable into several binary variables.

2. What is the definition of the no multicollinearity assumption? 1 / 1 point

- ○ No variation of the residential can be constant or similar across the model.
- ○ No observation in the dataset can be independent.
- ◉ No two independent variables can be highly correlated with each other.
- ○ No predictor variable can be linearly related to the outcome variable.

  Correct
  Multicollinearity states that no two independent variables can be highly correlated with each other. This means that X_i and X_j cannot be linearly related.

3. In what ways might a data professional handle data with multicollinearity? Select all that apply. 0.75 / 1 point

- [x] Create new variables using existing data.

  Correct
  A data professional might handle data with multicollinearity by dropping one or more variables that have high multicollinearity. They might also create new variables using existing data.

- [x] Drop one or more variables that have high multicollinearity.

  Correct
  A data professional might handle data with multicollinearity by dropping one or more variables that have high multicollinearity. They might also create new variables using existing data.

- [ ] Turn one categorical variable into several binary variables.
- [x] Square the variables that have high multicollinearity.

  This should not be selected
  A data professional might handle data with multicollinearity by dropping one or more variables that have high multicollinearity. They might also create new variables using existing data.