**Software Design Document**

**Step 1: Define the purpose and scope**

**Purpose**

The purpose of this program is to analyze a health insurance dataset by managing, visualizing, and comparing groups of data.

* **Problem statement**: Health insurance datasets contain information such as BMI, # of children, smoking status, region, and medical charges. To better understand trends in healthcare costs, we need a program that analyzes these records.
* **Objectives**: Generate descriptive statistics, create simple text-based visualizations, and test hypotheses about the relationships between health factors and charges.
* **Value proposition**: This program provides clear insights into how demographic and lifestyle factors influence medical charges. By combining statistics, visuals, and hypothesis testing it will help to identify cost disparities and fairness across regions.

**Scope**

This program is limited to analyzing the given health insurance dataset. It covers data storage, descriptive statistics, text-based histograms, and group comparisons.

* **In-scope features:** Loading and storing N records in an object, calculating statistics (count, mean, std, min, max, percentiles), creating text-based histograms, sorting regions by average charges, and calculating linear regression.
* **Out-of-scope features:** Using external libraries to make a more visual graph, interactive dashboards, advanced machine learning, and predictive healthcare analytics beyond the provided tasks.
* **Milestones and timeline:**

Day 1–2: Dataset & Setup

* Load the dataset and create a custom object to store the records.
* Make sure data types (age, BMI, children, charges, etc.) are usable.

Day 3–4: Statistics & Basic Visualizations

* Implement summary stats (count, mean, std, min, percentiles, max).
* Build text-based histograms (ages horizontal, BMI vertical, smoker vs non-smoker).

Day 5–6: Group Comparisons & Hypotheses

* Counts by children, regions, and smokers.
* Test fairness and simple hypotheses (older vs younger charges, smokers vs non-smokers, regional differences, BMI ranges).

Day 7–8: Regression Analysis

* Implement simple linear regression for charges vs BMI, children, and region.
* Compute Pearson r values.
* Run predictions on the given new x-values.

Day 9–10: Integration & Final Report

* Organize all functions into one program.
* Document results clearly (stats tables, histograms, hypothesis conclusions, regression findings).
* Final testing and polishing.
* **Assumptions and constraints:** The dataset provided is **clean and accurate** (no missing, corrupted, or duplicate records). Attributes (age, BMI, children, charges, region, smoker) are already in usable formats (e.g., no need for preprocessing). Statistical comparisons (e.g., smokers vs non-smokers, south vs north) are based only on the given dataset, not external data.

**Step 2: Conduct requirements analysis**

Building on the foundation established in Step 1, this phase involves gathering, analyzing, and documenting user and system requirements in detail. This information is often compiled in a Software Requirements Specification (SRS) document, which serves as a key reference for the SDD.

**Functional requirements**

This section describes the specific behaviors and functions the software must perform. It details what the system does.

* **Use cases and user stories:** Detail how different users (actors) will interact with the system to achieve their goals. A user story format is common in Agile methodologies (e.g., "As a user, I want to log in so that I can access my dashboard").
* **System workflows**: Map out the logical flow of the system. Visual aids like flowcharts can be helpful here.
* **Data handling:** Specify how data is processed, stored, and managed.

Non-functional requirements

This section defines the criteria used to judge the software's operation, addressing how the system performs a specific function. These are often referred to as the "ilities".

* **Performance:** Requirements related to speed, response time, and resource usage.
* **Security:** Measures needed to protect data, such as authentication, authorization, and encryption.
* **Scalability**: The system's ability to handle an increased workload or number of users.
* **Reliability and availability**: How often the system is available and how it recovers from failure.
* **Usability:** How easy and intuitive the system is for the user.