# INFX 573: Problem Set 6 - Regression

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Due: Tuesday, November 15, 2016

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#### **Instructions:**

Before beginning this assignment, please ensure you have access to R and RStudio.

- 1. Download the problemset6.Rmd file from Canvas. Open problemset6.Rmd in RStudio and supply your solutions to the assignment by editing problemset6.Rmd.
- 2. Replace the "Insert Your Name Here" text in the author: field with your own full name. Any collaborators must be listed on the top of your assignment.
- 3. Be sure to include well-documented (e.g. commented) code chucks, figures and clearly written text chunk explanations as necessary. Any figures should be clearly labeled and appropriately referenced within the text.
- 4. Collaboration on problem sets is acceptable, and even encouraged, but each student must turn in an individual write-up in his or her own words and his or her own work. The names of all collaborators must be listed on each assignment. Do not copy-and-paste from other students' responses or code.
- 5. When you have completed the assignment and have **checked** that your code both runs in the Console and knits correctly when you click **Knit PDF**, rename the R Markdown file to YourLastName\_YourFirstName\_ps6.Rmd, knit a PDF and submit the PDF file on Canvas.

### Setup:

In this problem set you will need, at minimum, the following R packages.

```
# Load standard libraries
library(tidyverse)
```

## Warning: package 'dplyr' was built under R version 3.3.2

```
library(MASS) # Modern applied statistics functions
library(dplyr)
library(ggplot2)
```

#### Housing Values in Suburbs of Boston

In this problem we will use the Boston dataset that is available in the MASS package. This dataset contains information about median house value for 506 neighborhoods in Boston, MA. Load this data and use it to answer the following questions.

1. Describe the data and variables that are part of the Boston dataset. Tidy data as necessary.

# #The following function gives the structure, data types and the data observations for each variable str(Boston)

```
## 'data.frame':
                  506 obs. of 14 variables:
## $ crim : num 0.00632 0.02731 0.02729 0.03237 0.06905 ...
            : num 18 0 0 0 0 0 12.5 12.5 12.5 12.5 ...
## $ indus : num 2.31 7.07 7.07 2.18 2.18 2.18 7.87 7.87 7.87 7.87 ...
## $ chas : int 0000000000...
## $ nox
           : num 0.538 0.469 0.469 0.458 0.458 0.458 0.524 0.524 0.524 0.524 ...
   $ rm
            : num 6.58 6.42 7.18 7 7.15 ...
## $ age
           : num 65.2 78.9 61.1 45.8 54.2 58.7 66.6 96.1 100 85.9 ...
         : num 4.09 4.97 4.97 6.06 6.06 ...
## $ dis
           : int 1223335555...
## $ rad
            : num 296 242 242 222 222 222 311 311 311 311 ...
   $ tax
## $ ptratio: num 15.3 17.8 17.8 18.7 18.7 15.2 15.2 15.2 15.2 15.2 ...
## $ black : num 397 397 393 395 397 ...
## $ lstat : num 4.98 9.14 4.03 2.94 5.33 ...
   $ medv : num 24 21.6 34.7 33.4 36.2 28.7 22.9 27.1 16.5 18.9 ...
```

# #View the first few records of the dataset to get a glimse of the data head(Boston)

```
crim zn indus chas
                                             dis rad tax ptratio black
                           nox
                                  rm age
## 1 0.00632 18 2.31
                     0 0.538 6.575 65.2 4.0900
                                                  1 296
                                                           15.3 396.90
                       0 0.469 6.421 78.9 4.9671
## 2 0.02731 0 7.07
                                                  2 242
                                                           17.8 396.90
## 3 0.02729 0 7.07
                       0 0.469 7.185 61.1 4.9671
                                                  2 242
                                                           17.8 392.83
## 4 0.03237 0 2.18
                                                  3 222
                     0 0.458 6.998 45.8 6.0622
                                                           18.7 394.63
                                                           18.7 396.90
## 5 0.06905 0 2.18
                       0 0.458 7.147 54.2 6.0622
                                                  3 222
## 6 0.02985 0 2.18
                       0 0.458 6.430 58.7 6.0622
                                                  3 222
                                                           18.7 394.12
   lstat medv
## 1 4.98 24.0
## 2 9.14 21.6
## 3 4.03 34.7
## 4 2.94 33.4
## 5 5.33 36.2
## 6 5.21 28.7
```

View the statistical summary of all the variables

#### summary(Boston)

```
##
                                         indus
                                                         chas
        crim
                           zn
## Min. : 0.00632
                     Min. : 0.00
                                     Min. : 0.46
                                                           :0.00000
                                                    Min.
## 1st Qu.: 0.08204
                     1st Qu.:
                              0.00
                                     1st Qu.: 5.19
                                                    1st Qu.:0.00000
## Median : 0.25651
                     Median: 0.00
                                     Median : 9.69
                                                    Median :0.00000
## Mean
         : 3.61352
                     Mean
                          : 11.36
                                     Mean :11.14
                                                    Mean :0.06917
   3rd Qu.: 3.67708
                     3rd Qu.: 12.50
                                     3rd Qu.:18.10
                                                     3rd Qu.:0.00000
##
   Max.
          :88.97620
                     Max.
                            :100.00
                                     Max.
                                            :27.74
                                                    Max.
                                                           :1.00000
##
        nox
                                       age
                                                       dis
                         rm
## Min.
         :0.3850
                   Min. :3.561
                                  Min. : 2.90
                                                  Min. : 1.130
## 1st Qu.:0.4490 1st Qu.:5.886 1st Qu.: 45.02
                                                  1st Qu.: 2.100
## Median :0.5380 Median :6.208
                                  Median : 77.50
                                                  Median : 3.207
```

```
:0.5547
                               :6.285
                                                : 68.57
                                                                   : 3.795
##
    Mean
                       Mean
                                        Mean
                                                           Mean
##
    3rd Qu.:0.6240
                       3rd Qu.:6.623
                                        3rd Qu.: 94.08
                                                           3rd Qu.: 5.188
                              :8.780
                                                :100.00
##
            :0.8710
                       Max.
                                        Max.
                                                           Max.
                                                                   :12.127
##
         rad
                            tax
                                           ptratio
                                                              black
##
    Min.
            : 1.000
                       Min.
                               :187.0
                                        Min.
                                                :12.60
                                                          Min.
                                                                  : 0.32
    1st Qu.: 4.000
                                                          1st Qu.:375.38
##
                       1st Qu.:279.0
                                        1st Qu.:17.40
    Median : 5.000
##
                       Median :330.0
                                        Median :19.05
                                                          Median: 391.44
##
    Mean
            : 9.549
                       Mean
                               :408.2
                                        Mean
                                                :18.46
                                                          Mean
                                                                  :356.67
##
    3rd Qu.:24.000
                       3rd Qu.:666.0
                                        3rd Qu.:20.20
                                                          3rd Qu.:396.23
##
    Max.
            :24.000
                       Max.
                               :711.0
                                        Max.
                                                :22.00
                                                          Max.
                                                                  :396.90
##
        lstat
                           medv
##
                             : 5.00
    Min.
            : 1.73
                      Min.
##
    1st Qu.: 6.95
                      1st Qu.:17.02
                      Median :21.20
##
    Median :11.36
##
            :12.65
                             :22.53
    Mean
                      Mean
##
    3rd Qu.:16.95
                      3rd Qu.:25.00
            :37.97
##
    Max.
                             :50.00
                      Max.
```

There are 14 variables in the Boston dataset. They are as follows.

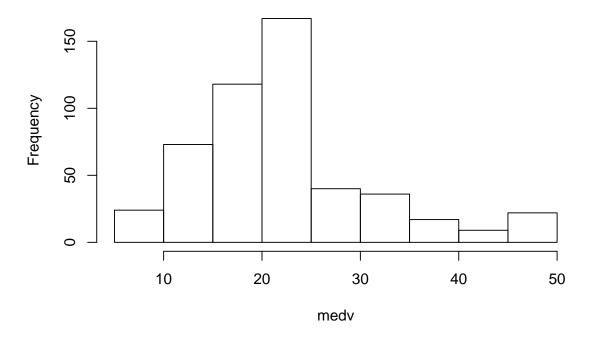
crim - per capita crime rate / town zn - proportion of residential land zoned for lots over 25,000 sq.ft. indus - proportion of non-retail business acres per town. chas - dummy variable if tract bounds river nox - nitric oxides concentration parts per 10 million rm - average number of rooms per dwelling age - proportion of owner-occupied units built prior to 1940 dis - weighted mean of distances to five Boston employment centres rad - index of accessibility to radial highways tax - full-value property-tax rate per \$10,000 ptratio - pupil-teacher ratio by town black - proportion of blacks by town lstat - lower status of the population in % medv - Median value of owner-occupied homes in \$1000's

2. Consider this data in context, what is the response variable of interest? Discuss how you think some of the possible predictor variables might be associated with this response.

The response variable of interest in the dataset is "medv" which is the median value of owner-occupied homes in \$1000's. By observation this can be deducted but we will go ahead and check the normalcy of the Median value variable to check if it has a normalcy behcaviour overe the set of observations

```
attach(Boston)
hist(medv)
```

## Histogram of medv



From the histogram it is evident that the variable does not have a normalcy behaviour and hence can be considered as a response variable.

3. For each predictor, fit a simple linear regression model to predict the response. In which of the models is there a statistically significant association between the predictor and the response? Create some plots to back up your assertions.

First we will find the correlation between all the variables in the data set to have a glimpse of correlation between all the variables.

### cor(Boston)

```
##
                   crim
                                 zn
                                          indus
                                                         chas
                                                                       nox
## crim
            1.00000000 -0.20046922
                                     0.40658341 -0.055891582
                                                               0.42097171
## zn
           -0.20046922
                         1.0000000
                                    -0.53382819 -0.042696719
                                                              -0.51660371
## indus
            0.40658341 -0.53382819
                                     1.00000000
                                                  0.062938027
                                                               0.76365145
## chas
           -0.05589158 -0.04269672
                                     0.06293803
                                                  1.000000000
                                                               0.09120281
## nox
            0.42097171 -0.51660371
                                     0.76365145
                                                  0.091202807
                                                               1.00000000
           -0.21924670
## rm
                         0.31199059 -0.39167585
                                                  0.091251225 -0.30218819
## age
            0.35273425 -0.56953734
                                     0.64477851
                                                  0.086517774
                                                               0.73147010
## dis
           -0.37967009
                                    -0.70802699
                         0.66440822
                                                -0.099175780
                                                              -0.76923011
## rad
            0.62550515 -0.31194783
                                     0.59512927
                                                -0.007368241
                                                               0.61144056
## tax
            0.58276431 -0.31456332
                                     0.72076018 -0.035586518
                                                               0.66802320
            0.28994558 -0.39167855
                                     0.38324756 -0.121515174
## ptratio
           -0.38506394
## black
                         0.17552032 -0.35697654
                                                  0.048788485 -0.38005064
## 1stat
            0.45562148 -0.41299457
                                     0.60379972 -0.053929298
                                                               0.59087892
## medv
           -0.38830461
                         0.36044534 -0.48372516
                                                  0.175260177 -0.42732077
##
                                age
                                            dis
                                                          rad
## crim
                         0.35273425 -0.37967009
           -0.21924670
                                                 0.625505145
                                                               0.58276431
```

```
## zn
           0.31199059 -0.56953734 0.66440822 -0.311947826 -0.31456332
                       0.64477851 -0.70802699 0.595129275
## indus
           -0.39167585
                                                           0.72076018
## chas
           0.09125123
                       0.08651777 -0.09917578 -0.007368241 -0.03558652
## nox
           -0.30218819
                       0.73147010 -0.76923011
                                              0.611440563
                                                           0.66802320
## rm
           1.00000000 -0.74788054 0.456022452 0.50645559
           -0.24026493
## age
## dis
           0.20524621 -0.74788054 1.00000000 -0.494587930 -0.53443158
## rad
           -0.20984667
                       0.45602245 -0.49458793
                                              1.000000000
                                                           0.91022819
## tax
           -0.29204783
                       0.50645559 -0.53443158
                                              0.910228189
                                                           1.00000000
## ptratio -0.35550149 0.26151501 -0.23247054
                                              0.464741179
                                                           0.46085304
## black
           0.12806864 - 0.27353398 \quad 0.29151167 - 0.444412816 - 0.44180801
## lstat
           -0.61380827
                       0.60233853 -0.49699583
                                              0.488676335
                                                           0.54399341
## medv
           0.69535995 -0.37695457
                                   0.24992873 -0.381626231 -0.46853593
             ptratio
##
                           black
                                      lstat
                                                  medv
## crim
           0.2899456 -0.38506394
                                  0.4556215 -0.3883046
## zn
           -0.3916785
                      0.17552032 -0.4129946
                                             0.3604453
## indus
           0.3832476 -0.35697654
                                  0.6037997 -0.4837252
## chas
           -0.1215152 0.04878848 -0.0539293
                                             0.1752602
## nox
           0.1889327 -0.38005064
                                  0.5908789 -0.4273208
## rm
           -0.3555015
                     0.12806864 -0.6138083
                                             0.6953599
## age
           0.2615150 -0.27353398
                                  0.6023385 -0.3769546
           -0.2324705 0.29151167 -0.4969958
## dis
                                             0.2499287
## rad
           0.4647412 -0.44441282
                                  0.4886763 -0.3816262
## tax
           0.4608530 -0.44180801
                                  0.5439934 -0.4685359
## ptratio
           1.0000000 -0.17738330
                                  0.3740443 -0.5077867
## black
           -0.1773833
                     1.00000000 -0.3660869
                                             0.3334608
## 1stat
           0.3740443 -0.36608690
                                  1.0000000 -0.7376627
## medv
           -0.5077867 0.33346082 -0.7376627
```

From the results we can see that the lstat (lower status of the population in %), rm (average number of rooms per dwelling) and ptratio (pupil teacher reation per town) have the highest correlation to the response variable of medv. We will use these three variables to conduct further analysis and establish if there is any statistically significant association between them and the response variable.

```
#Fit a linear regression model for the 3 most significant variables
lmLstat <- lm(data = Boston, medv ~ lstat, na.action = na.exclude)
lmRm <- lm(data = Boston, medv ~ rm, na.action = na.exclude)
lmPtratio <- lm(data = Boston, medv ~ ptratio, na.action = na.exclude)

#Also fit linear models for other variables.
lmCrim <- lm(data = Boston, medv ~ crim, na.action = na.exclude)
lmZn <- lm(data = Boston, medv ~ indus, na.act = na.exclude)
lmIndus <- lm(data = Boston, medv ~ indus, na.act = na.exclude)
lmchas <- lm(data = Boston, medv ~ chas, na.action= na.exclude)
lmNox <- lm(data = Boston, medv ~ nox, na.action= na.exclude)
lmAge <- lm(data = Boston, medv ~ age, na.action= na.exclude)
lmDis <- lm(data = Boston, medv ~ dis, na.action= na.exclude)
lmRad <- lm(data = Boston, medv ~ rad, na.action= na.exclude)
lmTax <- lm(data = Boston, medv ~ tax, na.action= na.exclude)
lmBlack <- lm(data = Boston, medv ~ black, na.action= na.exclude)</pre>
```

4. Fit a multiple regression model to predict the response using all of the predictors. Describe your results. For which predictors can we reject the null hypothesis  $H_0: \beta_i = 0$ ?

```
bostonRegModel <- lm(medv ~ rm + ptratio + lstat + crim + zn + indus + chas + nox +
bostonRegModel
##</pre>
```

```
## Call:
## lm(formula = medv ~ rm + ptratio + lstat + crim + zn + indus +
##
       chas + nox + age + dis + rad + tax + black, data = Boston)
##
## Coefficients:
## (Intercept)
                                                  lstat
                          {\tt rm}
                                  ptratio
                                                                 crim
     3.646e+01
                   3.810e+00
                               -9.527e-01
                                             -5.248e-01
                                                           -1.080e-01
##
##
            zn
                       indus
                                      chas
                                                    nox
                                                                  age
##
     4.642e-02
                   2.056e-02
                                 2.687e+00
                                             -1.777e+01
                                                            6.922e-04
##
           dis
                         rad
                                       tax
                                                  black
    -1.476e+00
                   3.060e-01
                               -1.233e-02
                                              9.312e-03
```

#### summary(bostonRegModel)

```
##
## Call:
## lm(formula = medv ~ rm + ptratio + lstat + crim + zn + indus +
       chas + nox + age + dis + rad + tax + black, data = Boston)
##
## Residuals:
      Min
               1Q Median
                               30
## -15.595 -2.730 -0.518
                            1.777
                                   26.199
##
## Coefficients:
##
                Estimate Std. Error t value Pr(>|t|)
                                     7.144 3.28e-12 ***
## (Intercept) 3.646e+01 5.103e+00
               3.810e+00 4.179e-01
                                      9.116 < 2e-16 ***
## rm
              -9.527e-01 1.308e-01 -7.283 1.31e-12 ***
## ptratio
              -5.248e-01 5.072e-02 -10.347 < 2e-16 ***
## 1stat
## crim
              -1.080e-01 3.286e-02 -3.287 0.001087 **
## zn
               4.642e-02 1.373e-02
                                     3.382 0.000778 ***
## indus
               2.056e-02 6.150e-02 0.334 0.738288
                                    3.118 0.001925 **
## chas
               2.687e+00 8.616e-01
              -1.777e+01 3.820e+00 -4.651 4.25e-06 ***
## nox
## age
               6.922e-04 1.321e-02
                                     0.052 0.958229
## dis
              -1.476e+00 1.995e-01 -7.398 6.01e-13 ***
## rad
               3.060e-01 6.635e-02
                                     4.613 5.07e-06 ***
              -1.233e-02 3.760e-03 -3.280 0.001112 **
## tax
## black
               9.312e-03 2.686e-03 3.467 0.000573 ***
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
## Residual standard error: 4.745 on 492 degrees of freedom
## Multiple R-squared: 0.7406, Adjusted R-squared: 0.7338
## F-statistic: 108.1 on 13 and 492 DF, p-value: < 2.2e-16
```

From the result we can see that the three variables of lstat, rm and ptraion have extremely low p values.

The variables zn and rad have the highest t statistic values and thus we will eliminate them or we can say for these two variables we can reject the null hypothesis.

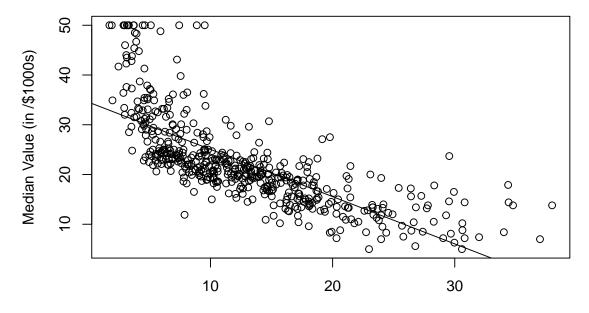
We will plot the linear models for the three most statistically significant variables to show a graphical representation of the predictor and response variable

```
#Create the linear model for lmstat and medu variables
lmLstat <- lm(data = Boston, medv ~ lstat, na.action = na.exclude)

#Plot the graph for lmstat and medu
plot(Boston$medv ~ Boston$lstat
    , main = "Median Value vs. Lower Status Population"
    , ylab = "Median Value (in /$1000s)"
    , xlab = "Lower Status Population (per cent)")

#Plotting the regression line
abline(lmLstat)</pre>
```

## Median Value vs. Lower Status Population



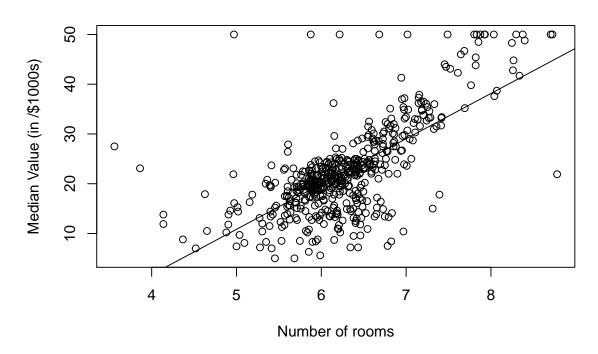
Lower Status Population (per cent)

```
#Create the linear model for rm and medu variables
lmRm <- lm(data = Boston, medv ~ rm, na.action = na.exclude)

#Plot the graph for lmstat and medu
plot(Boston$medv ~ Boston$rm
    , main = "Median Value vs. number of rooms"
    , ylab = "Median Value (in /$1000s)"
    , xlab = "Number of rooms")

#Plotting the regression line
abline(lmRm)</pre>
```

## Median Value vs. number of rooms

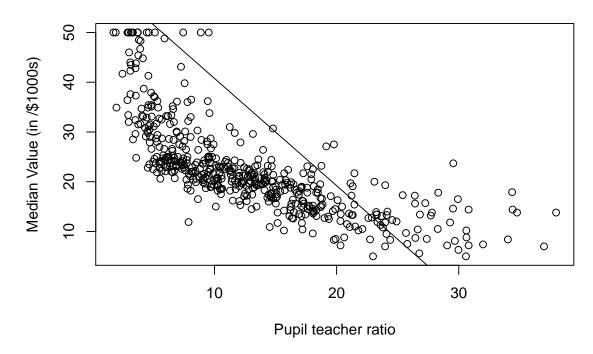


```
#Create the linear model for lmstat and medu variables
lmPtratio <- lm(data = Boston, medv ~ ptratio, na.action = na.exclude)

#Plot the graph for lmstat and medu
plot(Boston$medv ~ Boston$lstat
    , main = "Median Value vs. Pupil teacher ratio"
    , ylab = "Median Value (in /$1000s)"
    , xlab = "Pupil teacher ratio")

#Plotting the regression line
abline(lmPtratio)</pre>
```

## Median Value vs. Pupil teacher ratio



5. How do your results from (3) compare to your results from (4)? Create a plot displaying the univariate regression coefficients from (3) on the x-axis and the multiple regression coefficients from part (4) on the y-axis. Use this visualization to support your response.

From the statistical analysis of (3) andb from (4) we have been able to establish the relationship between 3 significant variables. Istat, em and ptratio. In (3) these variables showed a higher correlation and the results in (4) supported those findings.

```
#Create list of coeffecients from (c)
univariateCoeff <- c(summary(lmLstat)$coefficient[2,1],</pre>
                        summary(lmRm)$coefficient[2,1],
                     summary(lmPtratio)$coefficient[2,1],
                     summary(lmCrim)$coefficient[2,1],
                     summary(lmZn)$coefficient[2,1],
                     summary(lmIndus)$coefficient[2,1],
                     summary(lmchas)$coefficient[2,1],
                     summary(lmNox)$coefficient[2,1],
                     summary(lmAge)$coefficient[2,1],
                     summary(lmDis)$coefficient[2,1],
                     summary(lmRad)$coefficient[2,1],
                     summary(lmTax)$coefficient[2,1],
                     summary(lmBlack)$coefficient[2,1])
multiVariateCoeff <- bostonRegModel$coefficients[2:14]
univariateCoeff
```

## [1] -0.95004935 9.10210898 -2.15717530 -0.41519028 0.14213999

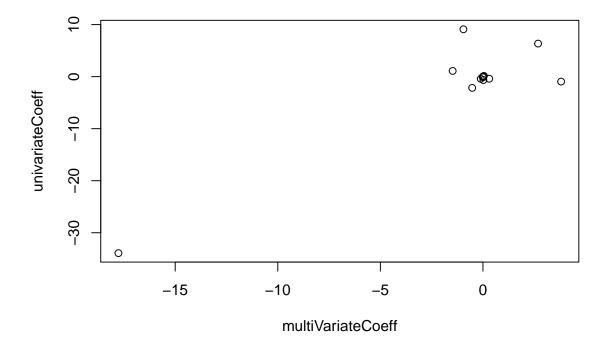
```
## [6] -0.64849005 6.34615711 -33.91605501 -0.12316272 1.09161302
## [11] -0.40309540 -0.02556810 0.03359306
```

#### multiVariateCoeff

```
##
                       ptratio
                                        lstat
                                                                         zn
##
    3.809865e+00 -9.527472e-01
                                -5.247584e-01
                                               -1.080114e-01
                                                               4.642046e-02
##
           indus
                           chas
                                          nox
                                                         age
    2.055863e-02
                  2.686734e+00 -1.776661e+01
                                                6.922246e-04 -1.475567e+00
##
##
             rad
                                        black
                            tax
##
    3.060495e-01 -1.233459e-02
                                 9.311683e-03
```

The coeffecients are different. we will now plot the two list of coefficients.

```
#Plot the results from univariate and multivariate analysis.
plot(univariateCoeff ~ multiVariateCoeff)
```



6. Is there evidence of a non-linear association between any of the predictors and the response? To answer this question, for each predictor X fit a model of the form:

$$Y = \beta_0 + \beta_1 X + \beta_2 X^2 + \beta_3 X^3 + \epsilon$$

7. Consider performing a stepwise model selection procedure to determine the bets fit model. Discuss your results. How is this model different from the model in (4)?

```
#Fit a model of form $$ Y = \beta_0 + \beta_1 X + \beta_2 X^2 + \beta_3 X^3 + \beta_0 S^4
model.lstat <- lm(medv ~ lstat + I(lstat^2) + I(lstat^3), data = Boston)</pre>
# Summarize model to check linearity
summary(model.lstat)
##
## Call:
## lm(formula = medv ~ lstat + I(lstat^2) + I(lstat^3), data = Boston)
## Residuals:
##
              Min
                                 1Q
                                       Median
                                                                   ЗQ
                                                                                 Max
## -14.5441 -3.7122 -0.5145
                                                           2.4846 26.4153
## Coefficients:
                               Estimate Std. Error t value Pr(>|t|)
##
## (Intercept) 48.6496253 1.4347240 33.909 < 2e-16 ***
                           ## I(lstat^2)
                           0.1487385 0.0212987
                                                                        6.983 9.18e-12 ***
## I(lstat^3) -0.0020039 0.0003997 -5.013 7.43e-07 ***
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## Residual standard error: 5.396 on 502 degrees of freedom
## Multiple R-squared: 0.6578, Adjusted R-squared: 0.6558
## F-statistic: 321.7 on 3 and 502 DF, p-value: < 2.2e-16
Since the p - value is significantly less than 0.05, we can say that the association is non linear.
#Fit a model of form $$ Y = \beta + beta_0 + beta_1 X + beta_2 X^2 + beta_3 X^3 + epsilon $$ for s$ for s$$ for s$ for s
model.rm \leftarrow lm(medv \sim rm + I(rm^2) + I(rm^3), data = Boston)
# Summarize model to check linearity
summary(model.rm)
##
## lm(formula = medv ~ rm + I(rm^2) + I(rm^3), data = Boston)
##
## Residuals:
            Min
                             1Q Median
                                                           3Q
                                                                        Max
## -29.102 -2.674 0.569
                                                      3.011 35.911
##
## Coefficients:
                             Estimate Std. Error t value Pr(>|t|)
##
## (Intercept) 241.3108
                                                    47.3275
                                                                     5.099 4.85e-07 ***
                           -109.3906
                                                    22.9690 -4.763 2.51e-06 ***
## rm
## I(rm^2)
                               16.4910
                                                     3.6750
                                                                   4.487 8.95e-06 ***
                                                     0.1935 -3.827 0.000146 ***
## I(rm^3)
                               -0.7404
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## Residual standard error: 6.11 on 502 degrees of freedom
```

```
## Multiple R-squared: 0.5612, Adjusted R-squared: 0.5586
## F-statistic: 214 on 3 and 502 DF, p-value: < 2.2e-16</pre>
```

Since the p - value is significantly less than 0.05, we can say that the association is non linear.

```
#Fit a model of form $$ Y = \beta_0 + \beta_1 X + \beta_2 X^2 + \beta_3 X^3 + \beta_0 S^4
model.ptratio <- lm(medv ~ ptratio + I(ptratio^2) + I(ptratio^3), data = Boston)</pre>
# Summarize model to check linearity
summary(model.ptratio)
##
## Call:
## lm(formula = medv ~ ptratio + I(ptratio^2) + I(ptratio^3), data = Boston)
##
## Residuals:
##
        Min
                  1Q
                      Median
                                    3Q
                                           Max
## -17.7795 -5.0364 -0.9778
                               3.4766 31.1636
## Coefficients:
                Estimate Std. Error t value Pr(>|t|)
## (Intercept) 312.28642 152.48693
                                      2.048
                                              0.0411 *
## ptratio
               -48.69114
                           26.88441
                                     -1.811
                                              0.0707 .
## I(ptratio^2)
                 2.83995
                            1.56413
                                      1.816
                                              0.0700 .
## I(ptratio^3) -0.05686
                            0.03005
                                     -1.892
                                              0.0590 .
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## Residual standard error: 7.898 on 502 degrees of freedom
## Multiple R-squared: 0.2669, Adjusted R-squared: 0.2625
## F-statistic: 60.91 on 3 and 502 DF, p-value: < 2.2e-16
```

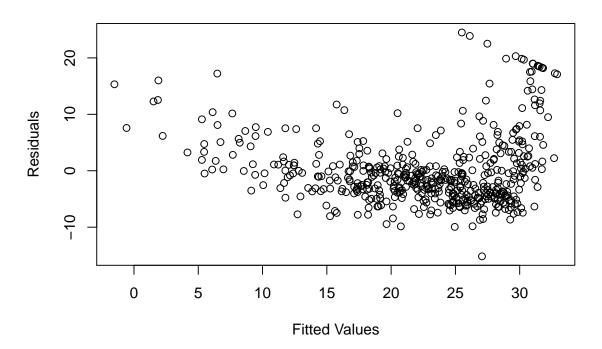
Since the p - value is significantly less than 0.05, we can say that the association is non linear.

8. Evaluate the statistical assumptions in your regression analysis from (7) by performing a basic analysis of model residuals and any unusual observations. Discuss any concerns you have about your model.

In addition to fitting the a model to check the linearity of variables we can check the residuals vs fitted values to better understand it

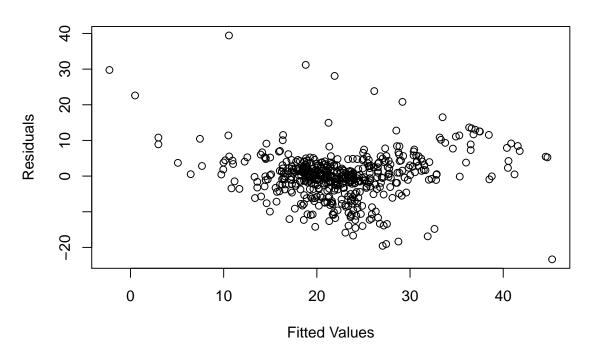
```
plot(lmLstat$residuals ~ lmLstat$fitted.values
, main = "Residuals vs. Fitted Values"
, ylab = "Residuals", xlab = "Fitted Values")
```

## Residuals vs. Fitted Values



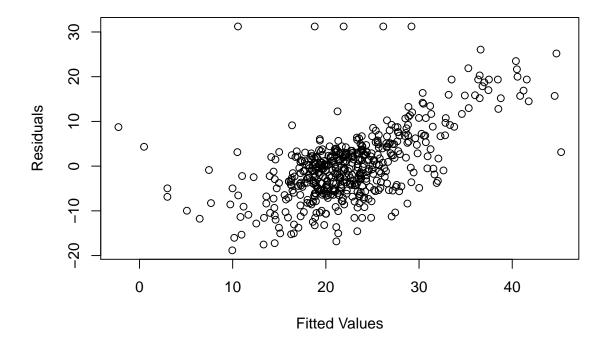
```
plot(lmRm$residuals ~ lmRm$fitted.values
   , main = "Residuals vs. Fitted Values"
   , ylab = "Residuals", xlab = "Fitted Values")
```

## Residuals vs. Fitted Values



```
plot(lmPtratio$residuals ~ lmRm$fitted.values
   , main = "Residuals vs. Fitted Values"
   , ylab = "Residuals", xlab = "Fitted Values")
```

## Residuals vs. Fitted Values



We cannot make any asumptions in our model. however looking at the plot for residuals and fitted values we see there is a trend in distribution much similar to the individual models we plotted earlier which is suggestive of a degree of significant statistical association. Since we were unable to prove any linearity in the predictor and response variables, the model is a difficult source of potential and accurate predictions.