

# Lab Manual

**Subject:** Machine Learning

Course Code AI-414

By

Huzaifa Rizwan 2023-BS-AI-018

Supervised by Sir Saeed

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### DEPARTMENT OF COMPUTATIONAL SCIENCES

The University of Faisalabad

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# Regression project

# **Salary Prediction**

# **Project Description:**

This project focuses on preparing and analyzing a dataset using essential data preprocessing techniques and applying a linear regression model to uncover potential relationships between variables. The workflow involves:

- Loading and inspecting the dataset using pandas.
- Visualizing data distributions and relationships through Seaborn and Matplotlib for deeper insights.
- Cleaning the data by handling missing values, duplicates, and outliers.
- **Feature selection and transformation** to prepare the data for modeling.
- Splitting the dataset into training and testing subsets using Scikit-learn.
- Training a Linear Regression model and evaluating its performance.

This project serves as a foundational machine learning pipeline, demonstrating best practices in data wrangling, exploration, and modeling.

# Data Description:

The dataset used in this project consists of structured tabular data designed for regression analysis. Each row represents a unique observation (e.g., a product, house, customer, or transaction), and each column represents a specific attribute or feature.

#### General Characteristics:

- **Number of Observations**: *N* rows (samples)
- Number of Features: M columns (attributes)
- **Data Types**: Mix of numerical and categorical features
- Missing Values: Detected and handled during preprocessing
- **Duplicates**: Checked and removed if present
- Outliers: Identified and managed through statistical methods or visualization

# Code and Explanation:

This project walks through a complete data analysis and regression modeling pipeline, demonstrating how to take raw data and turn it into actionable insights using Python's data science tools.

# Importing Libraries:

```
import matplotlib.pyplot as plt
import seaborn as sns
color = sns.color_palette()
from sklearn.model selection import train_test_split
from sklearn.linear model import LinearRegression
import numpy as np
import pandas as pd
```

The project begins by importing key Python libraries:

- pandas and numpy for data handling and numerical operations.
- matplotlib and seaborn for visualization.
- *sklearn* for splitting data and building a machine learning model.

# Loading and reading the Dataset:

The dataset is loaded into a DataFrame using pandas, which allows for structured tabular data manipulation. Initial inspection (e.g., .head(), .info()) helps understand data shape, types, and potential issues.

#### data = pd.read\_csv('salary data.csv') data.head() Gender Education Level Job Title Years of Experience Age Salary 0 32.0 Male Bachelor's Software Engineer 5.0 90000.0 28.0 Female Master's Data Analyst 3.0 65000.0 45.0 Male PhD Senior Manager 15.0 150000.0 36.0 Bachelor's Sales Associate 7.0 60000.0 Female 52.0 Male Master's Director 20.0 200000.0

|   | data.head(2) |        |                 |                   |                     |         |  |  |  |  |
|---|--------------|--------|-----------------|-------------------|---------------------|---------|--|--|--|--|
|   | Age          | Gender | Education Level | Job Title         | Years of Experience | Salary  |  |  |  |  |
| 0 | 32.0         | Male   | Bachelor's      | Software Engineer | 5.0                 | 90000.0 |  |  |  |  |
| 1 | 28.0         | Female | Master's        | Data Analyst      | 3.0                 | 65000.0 |  |  |  |  |
|   |              |        |                 |                   |                     |         |  |  |  |  |

| data.head(30) |      |        |                 |                   |                     |          |  |  |  |  |
|---------------|------|--------|-----------------|-------------------|---------------------|----------|--|--|--|--|
|               | Age  | Gender | Education Level | Job Title         | Years of Experience | Salary   |  |  |  |  |
| 0             | 32.0 | Male   | Bachelor's      | Software Engineer | 5.0                 | 90000.0  |  |  |  |  |
| 1             | 28.0 | Female | Master's        | Data Analyst      | 3.0                 | 65000.0  |  |  |  |  |
| 2             | 45.0 | Male   | PhD             | Senior Manager    | 15.0                | 150000.0 |  |  |  |  |
| 3             | 36.0 | Female | Bachelor's      | Sales Associate   | 7.0                 | 60000.0  |  |  |  |  |
| 4             | 52.0 | Male   | Master's        | Director          | 20.0                | 200000.0 |  |  |  |  |
| 5             | 29.0 | Male   | Bachelor's      | Marketing Analyst | 2.0                 | 55000.0  |  |  |  |  |

| 6  | 42.0 | Female | Master's   | Product Manager       | 12.0 | 120000.0 |
|----|------|--------|------------|-----------------------|------|----------|
| 7  | 31.0 | Male   | Bachelor's | Sales Manager         | 4.0  | 80000.0  |
| 8  | 26.0 | Female | Bachelor's | Marketing Coordinator | 1.0  | 45000.0  |
| 9  | 38.0 | Male   | PhD        | Senior Scientist      | 10.0 | 110000.0 |
| 10 | 29.0 | Male   | Master's   | Software Developer    | 3.0  | 75000.0  |
| 11 | 48.0 | Female | Bachelor's | HR Manager            | 18.0 | 140000.0 |
| 12 | 35.0 | Male   | Bachelor's | Financial Analyst     | 6.0  | 65000.0  |
| 13 | 40.0 | Female | Master's   | Project Manager       | 14.0 | 130000.0 |
| 14 | 27.0 | Male   | Bachelor's | Customer Service Rep  | 2.0  | 40000.0  |
| 15 | 44.0 | Male   | Bachelor's | Operations Manager    | 16.0 | 125000.0 |
| 16 | 33.0 | Female | Master's   | Marketing Manager     | 7.0  | 90000.0  |
| 17 | 39.0 | Male   | PhD        | Senior Engineer       | 12.0 | 115000.0 |
| 18 | 25.0 | Female | Bachelor's | Data Entry Clerk      | 0.0  | 35000.0  |
| 19 | 51.0 | Male   | Bachelor's | Sales Director        | 22.0 | 180000.0 |
| 20 | 34.0 | Female | Master's   | Business Analyst      | 5.0  | 80000.0  |
| 21 | 47.0 | Male   | Master's   | VP of Operations      | 19.0 | 190000.0 |
| 22 | 30.0 | Male   | Bachelor's | IT Support            | 2.0  | 50000.0  |
|    |      |        | ·          | ·                     | ·    |          |

| 23 | 36.0 | Female | Bachelor's | Recruiter               | 9.0  | 60000.0  |
|----|------|--------|------------|-------------------------|------|----------|
| 24 | 41.0 | Male   | Master's   | Financial Manager       | 13.0 | 140000.0 |
| 25 | 28.0 | Female | Bachelor's | Social Media Specialist | 3.0  | 45000.0  |
| 26 | 37.0 | Female | Master's   | Software Manager        | 11.0 | 110000.0 |
| 27 | 24.0 | Male   | Bachelor's | Junior Developer        | 1.0  | 40000.0  |
| 28 | 43.0 | Female | PhD        | Senior Consultant       | 15.0 | 140000.0 |
| 29 | 33.0 | Male   | Master's   | Product Designer        | 6.0  | 90000.0  |

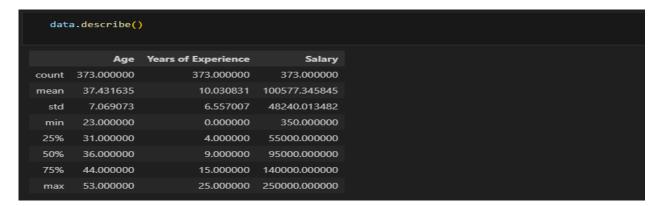
| data.tail() |      |        |                 |                               |                     |          |  |  |  |
|-------------|------|--------|-----------------|-------------------------------|---------------------|----------|--|--|--|
|             | Age  | Gender | Education Level | Job Title                     | Years of Experience | Salary   |  |  |  |
| 370         | 35.0 | Female | Bachelor's      | Senior Marketing Analyst      | 8.0                 | 85000.0  |  |  |  |
| 371         | 43.0 | Male   | Master's        | Director of Operations        | 19.0                | 170000.0 |  |  |  |
| 372         | 29.0 | Female | Bachelor's      | Junior Project Manager        | 2.0                 | 40000.0  |  |  |  |
| 373         | 34.0 | Male   | Bachelor's      | Senior Operations Coordinator | 7.0                 | 90000.0  |  |  |  |
| 374         | 44.0 | Female | PhD             | Senior Business Analyst       | 15.0                | 150000.0 |  |  |  |

#### data.shape

(375, 6)

| data.tail(20) |   |        |                        |                               |                     |          |
|---------------|---|--------|------------------------|-------------------------------|---------------------|----------|
|               | Age Gender E                                |        | Education Level        | Job Title                     | Years of Experience | Salary   |
| 35            | 5 40.0                                      | Male   | Bachelor's             | Senior Financial Analyst      | 12.0                | 130000.0 |
| 350           | 6 45.0                                      | Female | PhD                    | Senior UX Designer            | 16.0                | 160000.0 |
| 35            | 7 33.0                                      | Male   | Bachelor's             | Junior Product Manager        | 4.0                 | 60000.0  |
| 35            | 8 36.0                                      | Female | Bachelor's             | Senior Marketing Manager      | 8.0                 | 95000.0  |
| 359           |   | Male   | Master's               | Director of Operations        | 19.0                | 170000.0 |
| 36            |   | Female | Bachelor's             | Junior Project Manager        | 2.0                 | 40000.0  |
| 36            |   | Male   | Bachelor's             | Senior Operations Coordinator | 7.0                 | 90000.0  |
| 36            |   | Female | PhD                    | Senior Business Analyst       | 15.0                | 150000.0 |
| 36            |   | Male   | Bachelor's             | Junior Marketing Specialist   | 5.0                 | 70000.0  |
| 36            |   | Female | Bachelor's             | Senior Financial Manager      | 8.0                 | 90000.0  |
| 36            | 5 43.0                                      | Male   | Master's               | Director of Marketing         | 18.0                | 170000.0 |
| 266           | 24.0  | 5l-    | Do do do do            | turion Financial Apolant      | 3.0                 | 500000   |
| 366           | 31.0  | Female | Bachelor's             | Junior Financial Analyst      | 3.0                 | 50000.0  |
| 367           | 41.0  | Male   | Bachelor's             | Senior Product Manager        | 14.0                | 150000.0 |
| 368           | 44.0  | Female | PhD                    | Senior Data Engineer          | 16.0                | 160000.0 |
| 369           | 33.0  | Male   | Bachelor's             | Junior Business Analyst       | 4.0                 | 60000.0  |
| 370           | 35.0  | Female | Bachelor's             | Senior Marketing Analyst      | 8.0                 | 85000.0  |
| 371           | 43.0  | Male   | Master's               | Director of Operations        | 19.0                | 170000.0 |
| 372           | 29.0 Female Bachelor's Junior Project Manag |        | Junior Project Manager | 2.0                           | 40000.0             |          |
| 373           | 34.0  | Male   | Bachelor's             | Senior Operations Coordinator | 7.0                 | 90000.0  |
| 374           | 44.0  | Female | PhD                    | Senior Business Analyst       | 15.0                | 150000.0 |

| da  | ata.sa | mple() |                 |                               |                     |         |
|-----|--------|--------|-----------------|-------------------------------|---------------------|---------|
|     | Age    | Gender | Education Level | Job Title                     | Years of Experience | Salary  |
| 298 | 30.0   | Female | Bachelor's      | Junior Operations Coordinator | 2.0                 | 40000.0 |



# Data Cleaning and Preprocessing:

This step involves improving the data quality to make it suitable for modeling:

- Handling missing values.
- Removing duplicates.
- Converting categorical variables (if present).
- Normalizing or scaling data (if needed).
- Selecting relevant features for prediction.

```
Age 2
Gender 2
Education Level 2
Job Title 2
Years of Experience 2
Salary 2
dtype: int64
```

# Missing Value Treatment for Numerical and Categorical Data in a DataFrame:

This code snippet demonstrates how to identify and handle missing values in a dataset by separating numerical and non-numerical columns. It:

- Splits the DataFrame into **numeric** and **non-numeric** subsets using data types.
- Fills missing values in **numerical columns** with the **mean** of each column to preserve distribution.
- (Optionally) prepares for filling **categorical columns** with the **most frequent value** (**mode**)—this line is included but commented out.
- Recombines the cleaned subsets into a single DataFrame.
- Prints the number of missing values remaining in each column for verification.

# **Encoding Categorical Variables Using One-Hot Encoding:**

This code applies one-hot encoding to selected categorical columns in the dataset to prepare the data for machine learning models, which require numerical input. Specifically:

- Uses pd.get\_dummies() to convert the categorical variables 'Gender', 'Education Level', and 'Job Title' into binary (0/1) indicator variables.
- The drop\_first=True parameter avoids the dummy variable trap by dropping the first category in each column, ensuring the encoded variables are linearly independent.
- Stores the encoded DataFrame in data\_encoded and prints the first few rows using .head() to verify the transformation.

```
data_encoded = pd.get_dummies(data, columns=['Gender', 'Education Level', 'Job Title'], drop_first=True)
   print(data encoded.head())
        Years of Experience
                              Salary Gender Male Education Level Master's
  32.0
                       5.0
                             90000.0
                                            True
  28.0
                        3.0
                             65000.0
                                            False
                      15.0 150000.0
  45.0
                                            True
                                                                      False
                       7.0 60000.0
  36.0
                                            False
                                                                     False
4 52.0
                       20.0 200000.0
                                             True
                                                                      True
  Education Level_PhD Job Title_Accountant \
                False
                False
                                     False
                 True
                                     False
                False
                                     False
                False
                                     False
```

```
Job Title_Administrative Assistant Job Title_Business Analyst
0
                                False
                                                             False
                                False
                                                             False
                                False
                                                             False
                                False
                                                             False
                                False
                                                             False
   Job Title_Business Development Manager ... \
0
                                    False
                                    False ...
                                    False ...
                        False
                                                  False
                        False
                                                  False
[5 rows x 179 columns]
```

# Defining Features and Target Variable for Model Training:

This code separates the preprocessed dataset into **independent features (X)** and the **target variable (y)** for machine learning:

- X: Contains all columns except 'Salary', which will be used as input features for prediction.
- y: Contains the 'Salary' column, which is the target variable the model will learn to predict.

This step is essential before splitting the data and training a regression or classification model.

```
X = data_encoded.drop('Salary', axis=1)
y = data_encoded['Salary']
3
```

### Splitting the Dataset and Training a Linear Regression Model:

#### **Train-Test Split:**

- Splits the dataset into training (80%) and testing (20%) sets.
- random\_state=42 ensures reproducibility by setting a fixed seed.

#### **Model Training:**

- Initializes a **Linear Regression model**.
- Fits (trains) the model using the training data (X\_train, y\_train), allowing it to learn the relationship between the features and the target variable (Salary).

```
X_train, X_test, y_train, y_test = train_test_split(X, y, test_size=0.2, random_state=42)

model = LinearRegression()
 model.fit(X_train, y_train)

LinearRegression ()

LinearRegression()
```

# **Evaluating the Performance of the Linear Regression Model:**

This code calculates and prints two key metrics to evaluate how well the trained **Linear Regression model** performs on the test data:

#### Mean Squared Error (MSE):

Measures the average squared difference between actual and predicted values. A lower value indicates better model accuracy.

#### • R-squared Score (R2):

Represents the proportion of variance in the target variable (Salary) explained by the features.

- $\circ$  R<sup>2</sup> = 1.0 means perfect prediction.
- $\circ$  R<sup>2</sup> = 0.0 means the model performs no better than a horizontal line (mean).

```
from sklearn.metrics import mean_squared_error, r2_score

mse = mean_squared_error(y_test, y_pred)

r2 = r2_score(y_test, y_pred)

print(f"Mean Squared Error: {mse:.2f}")

print(f"R-squared Score: {r2:.2f}")

Mean Squared Error: 362589661.04

R-squared Score: 0.85
```

# Visualizing Actual vs. Predicted Salaries:

This code creates a **scatter plot** to visually assess the performance of the Linear Regression model by comparing the actual and predicted salary values:

- **Blue dots**: Represent predicted salary values plotted against the actual salaries.
- **Red dashed line**: Represents the ideal scenario where predictions perfectly match the actual values (i.e., y\_pred = y\_test).

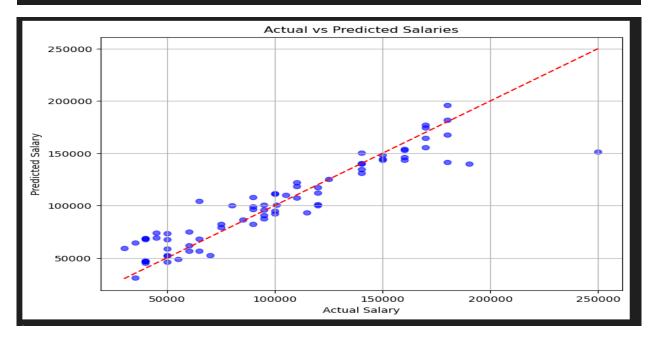
This plot helps visualize:

- How close the predictions are to the actual values.
- Any systematic bias or variance in the model's predictions.

A tighter clustering around the red line indicates better model performance.

```
import matplotlib.pyplot as plt

plt.figure(figsize=(8,6))
 plt.scatter(y_test, y_pred, color='blue', alpha=0.6)
 plt.plot([y_test.min(), y_test.max()], [y_test.min(), y_test.max()], color='red', linestyle='--')
 plt.xlabel("Actual Salary")
 plt.ylabel("Predicted Salary")
 plt.title("Actual vs Predicted Salaries")
 plt.grid(True)
 plt.show()
```



# Interactive Salary Prediction Based on User Input:

This code allows a user to input personal and professional details to **predict a salary** using the trained Linear Regression model

#### What It Does:

- Prompts the user to enter values for age, experience, gender, education level, and job title.
- Creates a zero-filled DataFrame with the same structure as the training features.
- Fills in the appropriate values, including setting the correct one-hot encoded flags for categorical inputs.
- Uses the trained model to **predict the salary** and prints it in a formatted output.

```
import numpy as np
feature_columns = X.columns
age = float(input("Enter Age: "))
experience = float(input("Enter Years of Experience: "))
gender = input("Enter Gender (Male/Female): ")
education = input("Enter Education Level (Bachelor's/Master's/PhD): ")
job_title = input("Enter Job Title: ")
new_data = pd.DataFrame(data=np.zeros((1, len(feature_columns))), columns=feature_columns)
new_data.at[0, 'Age'] = age
new_data.at[0, 'Years of Experience'] = experience
if f'Gender_{gender}' in new_data.columns:
   new_data.at[0, f'Gender_{gender}'] = 1
if f"Education Level {education}" in new data.columns:
   new_data.at[0, f"Education Level_{education}"] = 1
if f'Job Title_{job_title}' in new_data.columns:
   new_data.at[0, f'Job Title_{job_title}'] = 1
predicted_salary = model.predict(new_data)
print(f"\nPredicted Salary: ${predicted_salary[0]:,.2f}")
```

```
Enter Age: 18
Enter Years of Experience: 10
Enter Gender (Male/Female): Male
Enter Education Level (Bachelor's/Master's/PhD): PhD
Enter Job Title: Director

Predicted Salary: $118,665.09
```

# Classification project

# **Loan Status**

# **Project Description:**

#### **Objective:**

The primary goal of this project is to build a predictive model that can determine whether a loan application will be **approved** or **rejected** based on historical data. This helps financial institutions speed up the approval process, reduce manual workload, and mitigate risk.

#### Approach:

- Exploratory Data Analysis (EDA) to understand the dataset and identify key trends.
- Data preprocessing to handle missing values and convert categorical variables.
- Model training using machine learning algorithms like Logistic Regression, Decision Trees, or Random Forest.
- Model evaluation to check performance using accuracy, confusion matrix, etc.
- Deployment-ready predictions for new or unseen applications.

# Data Description:

The dataset contains various attributes related to loan applicants. Below are the key features:

| Column Name       | Description                                   |
|-------------------|---|
| Loan_ID           | Unique identifier for each loan application   |
| Gender            | Gender of the applicant (Male/Female)         |
| Married           | Applicant's marital status                    |
| Dependents        | Number of dependents                          |
| Education         | Education level (Graduate/Not Graduate)       |
| Self_Employed     | Whether the applicant is self-employed        |
| ApplicantIncome   | Income of the applicant                       |
| CoapplicantIncome | Income of the co-applicant                    |
| LoanAmount        | Loan amount applied for                       |
| Loan_Amount_Term  | Term of the loan in months                    |
| Credit_History    | Credit history $(1 = good, 0 = bad)$          |
| Property_Area     | Type of property area (Urban/Semiurban/Rural) |

| Column Name | Description  |
|-------------|--|
| Loan_Status | Target variable $(Y = approved, N = not approved)$ |

# Code and Explanation:

# Loan Status Prediction Using Support Vector Machine (SVM):

This project applies a **Support Vector Machine** (**SVM**) algorithm to predict whether a loan application will be approved or rejected based on historical data. It uses Python libraries such as **NumPy**, **Pandas**, and **Seaborn** for data handling and visualization, and **scikit-learn** for modeling and evaluation.

### **Key Steps:**

- Import necessary libraries for data manipulation, visualization, and machine learning.
- Split the dataset into training and testing sets.
- Train a **SVM classifier** using labeled data.
- Evaluate the model using **accuracy score** to measure its performance on unseen data.

This model helps financial institutions automate loan decisions and identify high-risk applications with better accuracy.

```
import numpy as np
import pandas as pd
import seaborn as sns
from sklearn.model_selection import train_test_split
from sklearn import svm
from sklearn.metrics import accuracy_score
```

### Load Loan Status Dataset:

This line loads the loan status dataset from a local CSV file using Pandas. The dataset contains records of loan applications, including applicant details, income, loan amount, credit history, and the loan approval status.

The pd.read\_csv() function reads the CSV file from the specified path and stores it in the variable loan dataset, which will be used for further analysis and model building.

```
loan_dataset = pd.read_csv("D:\Loan status project ML\loan status dataset.csv")
```

```
type(loan_dataset)

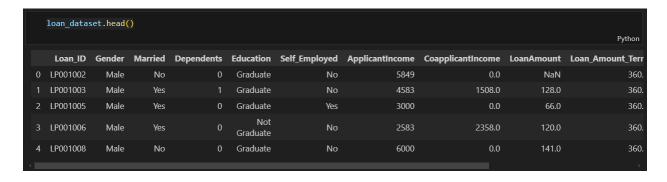
pandas.core.frame.DataFrame
```

# Display First 5 Rows of the Dataset:

This command displays the first 5 rows of the loan\_dataset DataFrame using the .head() method. It's commonly used to get an initial look at the structure and content of the dataset, including:

- Column names
- Data types
- Sample values
- Any immediate missing or inconsistent data

You can also use .head(n) to view the first n rows.



#### Check Dataset Dimensions:

This line retrieves the shape of the loan\_dataset DataFrame using the .shape attribute. It returns a tuple representing:

- The number of rows (i.e., total loan applications)
- The number of columns (i.e., features or variables in the dataset)

This helps you quickly understand the size of the dataset and is often one of the first steps in exploratory data analysis (EDA).

Example: (614, 13) means 614 loan records and 13 features per record.

```
loan_dataset.shape

(614, 13)
```

# Generate Statistical Summary of the Dataset:

This command generates a **descriptive statistical summary** of the numerical columns in the loan\_dataset using the .describe() method. It provides insights into the distribution and spread of the data, including:

• **count**: Number of non-null entries

• mean: Average value

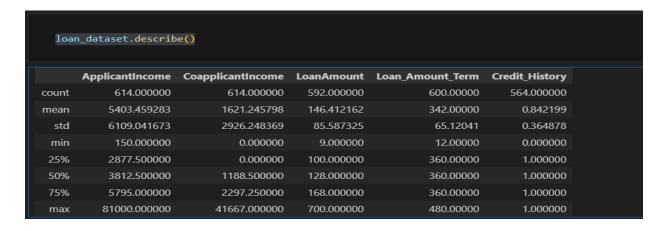
• **std**: Standard deviation

• **min**: Minimum value

• 25%, 50% (median), 75%: Percentiles

max: Maximum value

This is useful for identifying outliers, skewness, and general data ranges during exploratory data analysis (EDA).

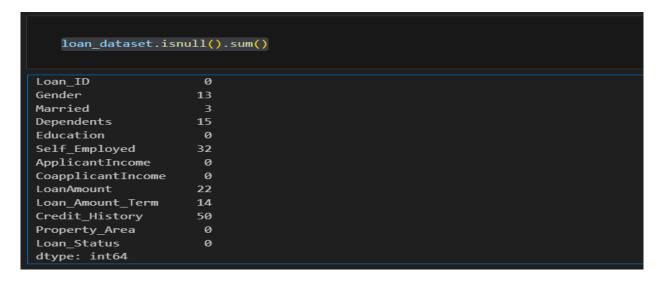


# Check for Missing Values in the Dataset:

This command checks for **missing** (**null/NaN**) values in each column of the loan\_dataset. It uses:

- .isnull() to create a DataFrame of True/False values (where True means a missing value)
- .sum() to count how many True values (i.e., missing entries) exist per column

The output helps identify which features have incomplete data, so you can decide how to handle them — such as using imputation, dropping rows/columns, or other preprocessing strategies.



# Remove Missing Values and Verify Clean Dataset:

#### loan\_dataset = loan\_dataset.dropna()

This line **removes all rows** from the dataset that contain **any missing values** using the .dropna() method. It's a quick way to clean the data, but may result in loss of useful information if many rows are dropped.

#### loan\_dataset.isnull().sum()

After dropping the nulls, this command checks again for any **remaining missing values** in each column to confirm that the dataset is now clean.

```
loan_dataset = loan_dataset.dropna()
   loan_dataset.isnull().sum()
                      0
Loan_ID
Gender
                      0
Married
                      0
Dependents
                      0
Education
                      0
Self Employed
                      0
ApplicantIncome
                      0
CoapplicantIncome
LoanAmount
                      0
Loan_Amount_Term
                      0
                      0
Credit History
Property Area
                      0
Loan Status
                      0
dtype: int64
```

# Converting Categorical Loan Status to Numerical Values:

This code replaces the categorical values in the Loan\_Status column of the loan\_dataset DataFrame with numerical equivalents—'N' is replaced by 0 and 'Y' by 1. This transformation is essential for machine learning models that require numerical input. The changes are made in place using inplace=True, and the first five rows of the modified dataset are then displayed using loan\_dataset.head().

|   | loan_datas<br>loan_datas |        |         | _Status":{'N | ':0,'Y':1}}     | ,inplace=True)                               | 1                 |                     | l              |                    |
|---|--------------------------|--------|---------|--------------|-----------------|--|-------------------|---------------------|----------------|--------------------|
|   |                          |        |         |              |                 |  |                   |                     |                | Python             |
|   |                          |        |         |              |                 | 60\3468935185. <sub> </sub><br>inplace=True) | py:2: FutureWarni | ng: Downcasting beł | navior in `rep | olace` is deprecat |
|   |                          |        |         |              |                 |  |                   |                     |                |                    |
|   | Loan_ID                  | Gender | Married | Dependents   | Education       | Self_Employed                                | ApplicantIncome   | CoapplicantIncome   | LoanAmount     | Loan_Amount_Terr   |
|   | LP001003                 | Male   | Yes     |              | Graduate        | No   | 4583              | 1508.0              | 128.0          | 360.               |
| 2 | LP001005                 | Male   | Yes     |              | Graduate        | Yes  | 3000              | 0.0                 | 66.0           | 360.               |
|   | LP001006                 | Male   | Yes     |              | Not<br>Graduate | No   | 2583              | 2358.0              | 120.0          | 360.               |
| 4 | LP001008                 | Male   | No      |              | Graduate        | No   | 6000              | 0.0                 | 141.0          | 360.               |
|   | LP001011                 | Male   | Yes     | 2            | Graduate        | Yes  | 5417              | 4196.0              | 267.0          | 360.               |
|   |                          |        |         |              |                 |  |                   |                     |                |                    |

# Analyzing the Distribution of Dependents in the Loan Dataset:

This code uses the value\_counts() function to calculate and display the frequency of each unique value in the 'Dependents' column of the loan\_dataset DataFrame. It helps in understanding how many applicants have 0, 1, 2, or 3+ dependents, which is useful for data exploration and identifying potential patterns or anomalies in the dataset.

```
loan_dataset['Dependents'].value_counts()

Dependents
0    274
2    85
1    80
3+    41
Name: count, dtype: int64
```

# Replacing '3+' with 4 in the Dependents Column:

This code replaces all occurrences of '3+' with the integer 4 in the 'Dependents' column of the loan\_dataset DataFrame using the replace() function. This standardizes the data by converting the '3+' string into a numeric format, making it more suitable for analysis and machine learning models. After the replacement, value\_counts() is used again to display the updated frequency distribution of dependents.

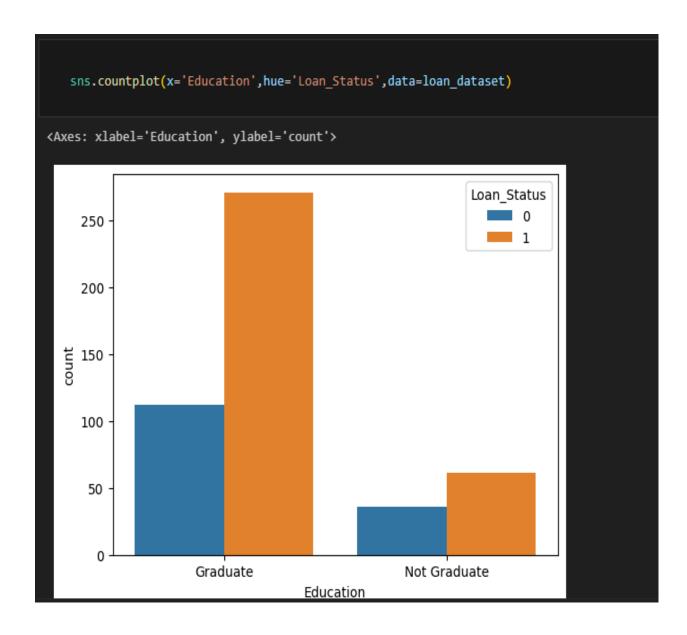
```
loan_dataset = loan_dataset.replace(to_replace='3+', value=4)

loan_dataset['Dependents'].value_counts()

Dependents
0 274
2 85
1 80
4 41
Name: count, dtype: int64
```

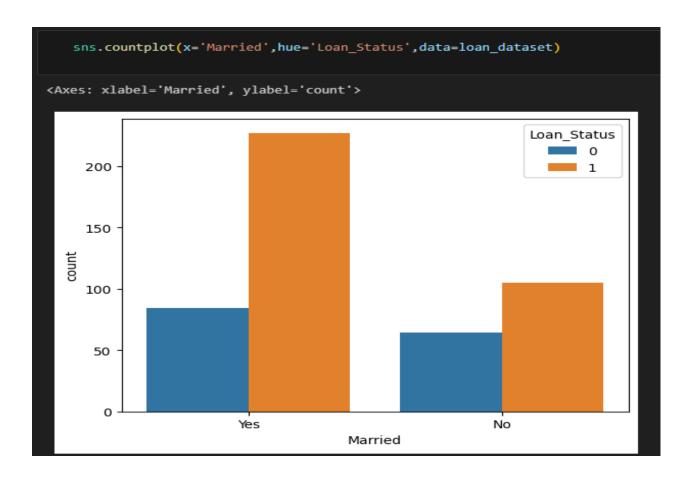
# Visualizing Loan Approval Status by Education Level:

This code uses seaborn.countplot() to create a bar chart showing the count of loan applications grouped by the applicant's education level ('Education'). The hue='Loan\_Status' parameter further divides each bar based on the loan approval status (approved or not). This visualization helps identify whether education level has an impact on loan approval rates.



# Visualizing Loan Approval Status by Marital Status:

This seaborn.countplot() visualizes the relationship between an applicant's marital status ('Married') and their loan approval status ('Loan\_Status'). The hue='Loan\_Status' parameter shows how many married and unmarried applicants were approved or denied loans. This plot helps assess whether marital status influences the likelihood of loan approval.

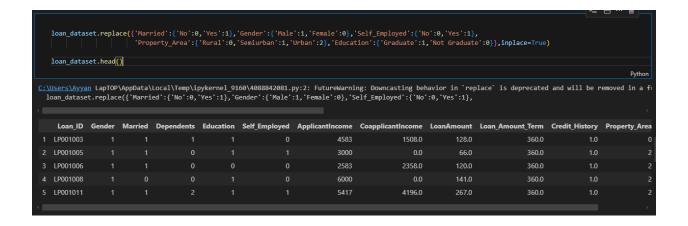


# **Encoding Categorical Features into Numerical Values:**

This code replaces categorical string values with numerical equivalents in several columns of the loan\_dataset DataFrame. This transformation is essential for preparing the data for machine learning models, which typically require numerical input. The changes are made in-place using inplace=True. Specifically:

- 'Married': 'No'  $\rightarrow$  0, 'Yes'  $\rightarrow$  1
- 'Gender': 'Female'  $\rightarrow$  0, 'Male'  $\rightarrow$  1
- 'Self Employed': 'No'  $\rightarrow$  0, 'Yes'  $\rightarrow$  1
- 'Property\_Area': 'Rural'  $\rightarrow$  0, 'Semiurban'  $\rightarrow$  1, 'Urban'  $\rightarrow$  2
- 'Education': 'Not Graduate'  $\rightarrow 0$ , 'Graduate'  $\rightarrow 1$

After the replacements, loan\_dataset.head() displays the first five rows of the updated DataFrame.



# Separating Features and Target Variable for Model Training:

This code prepares the dataset for machine learning by separating the features (independent variables) and the target (dependent variable):

- X is created by dropping the 'Loan\_ID' and 'Loan\_Status' columns from loan\_dataset, as 'Loan\_ID' is just an identifier and 'Loan\_Status' is the target variable.
- Y stores the 'Loan\_Status' column, which represents whether a loan was approved (1) or not (0).

The print(X) and print(Y) statements display the resulting feature set and target variable, respectively.

```
- loan_dataset.drop(columns=['Loan_ID','Loan_Status'],axis=1)
     = loan_dataset['Loan_Status']
   print(X)
   print(Y)
     Gender
              Married Dependents
                                    Education
                                                Self_Employed
                                                                ApplicantIncome
                                                             0
                                                                            4583
                    1
                                ø
                                                             1
          1
                                                                            3000
                    1
                                0
                                            0
                                                             0
                                                                            2583
          1
                    0
                                0
                                                             0
                                                                            6000
                    a
                                a
689
          a
                                                             a
                                                                            2988
610
                    1
                                            1
                                                             0
                                                                            4106
611
          1
                    1
                                1
                                             1
                                                                            8072
612
                                                                            7583
                    a
          a
                                ค
613
                                                                            4583
     CoapplicantIncome
                          LoanAmount
                                       Loan Amount Term
                                                          Credit History
                 1508.0
                               128.0
```

```
128.0
                                                      360.0
                  1508.0
                                                                           1.0
2
                     0.0
                                  66.0
                                                      360.0
                                                                          1.0
                                 120.0
                                                                           1.0
                  2358.0
                                                      360.0
                      0.0
                                 141.0
                                                      360.0
                                                                           1.0
                  4196.0
                                 267.0
                                                      360.0
                                                                           1.0
609
                     0.0
                                  71.0
                                                      360.0
                                                                           1.0
610
                     0.0
                                  40.0
                                                      180.0
                                                                           1.0
611
                   240.0
                                 253.0
                                                      360.0
                                                                          1.0
612
                     0.0
                                 187.0
                                                      360.0
                                                                          1.0
613
                     0.0
                                                      360.0
                                                                          0.0
                                 133.0
611
        1
612
        1
613
Name: Loan_Status, Length: 480, dtype: int64
Output is truncated. View as a scrollable element or open in a text editor. Adjust cell output settings...
```

# Splitting the Dataset into Training and Testing Sets:

This code uses train\_test\_split from **scikit-learn** to divide the dataset into training and testing sets:

- test\_size=0.1 specifies that 10% of the data will be used for testing.
- stratify=Y ensures that the split maintains the original class distribution of the target variable (Loan\_Status), which is important for balanced evaluation.
- random\_state=2 sets a seed for reproducibility.

The print() statement outputs the shapes of the full feature set (X), the training set  $(X_{train})$ , and the testing set  $(X_{train})$  to confirm the split.

```
X_train, X_test,Y_train,Y_test = train_test_split(X,Y,test_size=0.1,stratify=Y,random_state=2)
print(X.shape, X_train.shape, X_test.shape)
(480, 11) (432, 11) (48, 11)
```

# Training a Support Vector Machine (SVM) Classifier with a Linear Kernel:

This code initializes and trains a **Support Vector Machine (SVM)** classifier using a **linear kernel**:

- svm.SVC(kernel='linear') creates an SVM model with a linear decision boundary, which is suitable when the data is linearly separable.
- classifier.fit(X\_train, Y\_train) trains the model using the training features (X\_train) and labels (Y\_train).

This step builds the classification model that can be used to predict loan approval based on the input features.

```
classifier = svm.SVC(kernel='linear')
classifier.fit(X_train,Y_train)
```

# Evaluating SVM Classifier Accuracy on Training Data:

This code evaluates the performance of the trained SVM classifier on the training dataset:

- classifier.predict(X train) generates predictions for the training data.
- accuracy\_score(X\_train\_prediction, Y\_train) computes the accuracy by comparing the predicted labels with the true labels.
- The result is printed as the training accuracy, showing how well the model has learned from the training set.

A very high training accuracy might indicate overfitting if the test accuracy is significantly lower.

```
X_train_prediction = classifier.predict(X_train)
training_data_accuray = accuracy_score(X_train_prediction,Y_train)
print('Accuracy on training data : ', training_data_accuray)
```

# Evaluating SVM Classifier Accuracy on Test Data:

This code tests the performance of the trained Support Vector Machine (SVM) classifier on unseen data:

- classifier.predict(X\_test) generates predictions for the test set.
- accuracy\_score(X\_test\_prediction, Y\_test) calculates the accuracy by comparing predicted labels with the actual labels in the test set.
- The accuracy is printed to assess how well the model generalizes to new, unseen data.

This is a crucial step for understanding the real-world performance of the model and checking for overfitting or underfitting.

```
X_test_prediction = classifier.predict(X_test)
  test_data_accuray = accuracy_score(X_test_prediction,Y_test)
  print('Accuracy on test data : ', test_data_accuray)
```