

**Artificial Intelligence – Assignment 04**

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**Linear Regression**

Linear regression is a statistical and machine learning technique used to model the relationship between a dependent variable (target) and one or more independent variables (predictors). It is a supervised learning algorithm widely used for predictive analysis and understanding relationships within data.

**Types of Linear Regression:**

1. Simple Linear Regression: Involves one independent variable and one dependent variable. The relationship is represented as a straight line.
2. Multiple Linear Regression: Involves multiple independent variables influencing a single dependent variable.

**The Equation of Linear Regression**

The relationship between variables is expressed as:

Where:

* : Dependent variable (target).
* : Independent variables (predictors).
* : Intercept of the line.
* : Coefficients of the predictors.
* : Error term accounting for deviations.

**Assumptions of Linear Regression**

1. Linearity: The relationship between the dependent and independent variables is linear.
2. Independence: Observations are independent of each other.
3. Homoscedasticity: Constant variance of residuals (errors) across all levels of independent variables.
4. Normality: Residuals are normally distributed.

**Steps to Perform Linear Regression**

1. Data Collection: Gather data containing dependent and independent variables.
2. Exploratory Data Analysis (EDA): Visualize and analyze the data to identify patterns and relationships.
3. Model Fitting: Use tools like Python's sklearn library to fit the linear regression model.
4. Evaluation: Assess model performance using metrics like Mean Squared Error (MSE), R-squared, etc.

**Applications of Linear Regression**

1. Predictive Modeling: Predict future values (e.g., sales forecasting).
2. Trend Analysis: Identify trends in data.
3. Risk Assessment: Estimate risks in finance and insurance.
4. Medical Research: Analyze relationships between variables (e.g., drug dose and patient outcome).

**Advantages and Limitations**

**Advantages:**

1. Simple and easy to implement.
2. Interpretable results with clear relationships.
3. Efficient for small to medium-sized datasets.

**Limitations:**

1. Assume linear relationships, which may not always hold.
2. Sensitive to outliers.
3. May underperform in complex scenarios with nonlinear relationships.

**By understanding linear regression, one can model relationships between variables, make predictions, and gain insights into data-driven phenomena.**