Econ 104 Project 3 Marcus Young Geoffrey Penarubia Kyle Almon

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```
library(AER)
## Loading required package: car
## Loading required package: carData
## Loading required package: lmtest
## Loading required package: zoo
##
## Attaching package: 'zoo'
## The following objects are masked from 'package:base':
##
##
      as.Date, as.Date.numeric
## Loading required package: sandwich
## Loading required package: survival
library(tidyverse)
## -- Attaching packages ------ tidyverse 1.3.2 --
## v ggplot2 3.4.0
                      v purrr
                               1.0.1
## v tibble 3.1.8
                     v dplyr 1.0.10
## v tidyr 1.2.1
                    v stringr 1.4.1
## v readr
          2.1.3
                      v forcats 0.5.2
## -- Conflicts -----
                                          ## x dplyr::filter() masks stats::filter()
## x dplyr::lag()
                  masks stats::lag()
## x dplyr::recode() masks car::recode()
## x purrr::some()
                   masks car::some()
library(readr)
library(knitr)
library(xtable)
library(effects)
## lattice theme set by effectsTheme()
## See ?effectsTheme for details.
library(broom)
library(jtools)
library(leaps)
library(car)
library(Boruta)
library(lmtest)
library(AICcmodavg)
library(flexmix)
```

```
## Loading required package: lattice
library(caret)
##
## Attaching package: 'caret'
##
## The following object is masked from 'package:purrr':
##
##
       lift
##
## The following object is masked from 'package:survival':
##
##
       cluster
library(corrplot)
## corrplot 0.92 loaded
library(RColorBrewer)
library(ggplot2)
library(rlang)
## Attaching package: 'rlang'
## The following objects are masked from 'package:purrr':
##
##
       %0%, flatten, flatten_chr, flatten_dbl, flatten_int, flatten_lgl,
##
       flatten_raw, invoke, splice
library(base)
library(xfun)
##
## Attaching package: 'xfun'
## The following objects are masked from 'package:base':
##
##
       attr, isFALSE
library(tinytex)
##
## Attaching package: 'tinytex'
## The following object is masked from 'package:rlang':
##
##
       check_installed
library(stats)
library(TSA)
##
## Attaching package: 'TSA'
## The following object is masked from 'package:readr':
```

```
##
       spec
##
## The following objects are masked from 'package:stats':
##
       acf, arima
##
##
## The following object is masked from 'package:utils':
##
##
       tar
library(timeSeries)
## Loading required package: timeDate
##
## Attaching package: 'timeDate'
##
## The following objects are masked from 'package:TSA':
##
##
       kurtosis, skewness
##
## The following object is masked from 'package:xtable':
##
##
       align
##
##
## Attaching package: 'timeSeries'
## The following object is masked from 'package:zoo':
##
##
       time<-
library(fUnitRoots)
library(fBasics)
##
## Attaching package: 'fBasics'
## The following objects are masked from 'package:TSA':
##
       kurtosis, skewness
##
##
## The following object is masked from 'package:flexmix':
##
##
       getModel
##
## The following object is masked from 'package:car':
##
       densityPlot
library(tseries)
## Registered S3 method overwritten by 'quantmod':
##
     method
                       from
     as.zoo.data.frame zoo
library(timsac)
```

```
library(TTR)
## Attaching package: 'TTR'
##
## The following object is masked from 'package:fBasics':
##
##
       volatility
library(fpp)
## Loading required package: forecast
## Registered S3 methods overwritten by 'forecast':
##
     method
                  from
##
     fitted.Arima TSA
                 TSA
##
     plot.Arima
## Loading required package: fma
## Loading required package: expsmooth
library(strucchange)
## Attaching package: 'strucchange'
## The following object is masked from 'package:stringr':
##
##
       boundary
library(lattice)
library(foreign)
library(MASS)
## Attaching package: 'MASS'
## The following objects are masked from 'package:fma':
##
##
       cement, housing, petrol
## The following object is masked from 'package:dplyr':
##
##
       select
library(car)
require(stats)
require(stats4)
## Loading required package: stats4
library(KernSmooth)
## KernSmooth 2.23 loaded
## Copyright M. P. Wand 1997-2009
library(fastICA)
library(cluster)
library(leaps)
library(mgcv)
```

```
## Loading required package: nlme
##
## Attaching package: 'nlme'
##
## The following object is masked from 'package:forecast':
##
##
       getResponse
##
## The following object is masked from 'package:dplyr':
##
##
       collapse
##
## This is mgcv 1.8-41. For overview type 'help("mgcv-package")'.
library(rpart)
library(pan)
library(mgcv)
library(DAAG)
##
## Attaching package: 'DAAG'
## The following object is masked from 'package:MASS':
##
##
       hills
##
## The following objects are masked from 'package:fma':
##
##
       milk, ozone
##
## The following object is masked from 'package:survival':
##
##
       lung
## The following object is masked from 'package:car':
##
##
       vif
library(TTR)
library(tis)
##
## Attaching package: 'tis'
## The following object is masked from 'package:mgcv':
##
##
       ti
##
## The following object is masked from 'package:forecast':
##
##
       easter
##
## The following object is masked from 'package:TTR':
##
##
       lags
```

```
##
## The following objects are masked from 'package:timeSeries':
##
##
       description, interpNA
##
## The following objects are masked from 'package:timeDate':
##
##
       dayOfWeek, dayOfYear, isHoliday
##
## The following object is masked from 'package:dplyr':
##
##
       between
require(graphics)
library(forecast)
library(xtable)
library(dynlm)
library(vars)
## Loading required package: urca
## Attaching package: 'urca'
## The following objects are masked from 'package:fUnitRoots':
       punitroot, qunitroot, unitrootTable
##
library(plm)
##
## Attaching package: 'plm'
## The following object is masked from 'package:tis':
##
##
       between
##
## The following object is masked from 'package:stats4':
##
##
       nobs
##
## The following object is masked from 'package:timeSeries':
##
##
       lag
##
## The following objects are masked from 'package:dplyr':
##
##
       between, lag, lead
library(coefplot)
## Registered S3 methods overwritten by 'useful':
##
     method
                  from
##
     autoplot.acf forecast
##
     fortify.ts
                 forecast
```

```
library(gplots)
##
## Attaching package: 'gplots'
##
## The following object is masked from 'package:tis':
##
##
       barplot2
##
## The following object is masked from 'package:stats':
##
       lowess
library(graphics)
library(ggeffects)
CountryGDP <- read_csv("~/Desktop/School/Econ 104/CountryGDPGrowthRate.csv",</pre>
                       col_types = cols(Country = col_factor(levels =
                                                                 c("1","2", "3", "4", "5")).
                      Year = col_factor(levels = c("2002", "2003", "2004", "2005",
                                                    "2006", "2007", "2008", "2009",
                                                    "2010", "2011", "2012", "2013",
                                                    "2014", "2015", "2016",
                                                                            "2017",
                                                    "2018", "2019", "2020", "2021",
                                                    "2022"))))
Unemployment <- CountryGDP$`Unemployment Rate`</pre>
Inflation <- CountryGDP$`Inflation Rate`</pre>
GDPGR <- CountryGDP$`GDP Growth Rate`</pre>
Year <- CountryGDP$Year
Country <- CountryGDP$Country</pre>
#Country 1 is United States of America
#Country 2 is China
#Country 3 is Japan
#Country 4 is India
#Country 5 is Germany
#Question 1 Part 1
#For this part of the project, we are taking the Top 5 ranking countries with
#the highest GDPs within the last 20 years(2002-2022) and looking at their growth
#GDP rates. In this project, we plan to compute the fixed and random effects, or
#models to see what predictors have the greatest effect on the GDP growth rate.
#Using these techniques, we will be able to address if heterogeneity is present
#across these countries. This will also help us predict how these variables interact
#with each other.
#Question 1 Part 2
#Summary Comments - Before starting, We specifically identified each of our country
#based on the country's highest GDP total. So Country 1: United States of America,
#Country 2: China 3: Japan, Country 4: India, and Country 5: Germany. In terms of
#GDP growth, there was a big gap between the lowest GDP Growth in an annual year,
#which was a negative one, @-6.6%, which came from India. On the other hand, the
#max growth rate % in GDP came from Country 2 (China). When looking at all 5
```

#countries, the average growth rate % in GDP was around 3.73%, which was about a #percent higher than the median. Looking at Unemployment Rate %s, the lowest was #from Country 3(Japan) @ 2.4%, and highest came from Country 5(Germany) @ 11.17%. #The inflation rate minimum came from Country 3(Japan) and highest inflation rate #came from country 4(India). summary(CountryGDP)

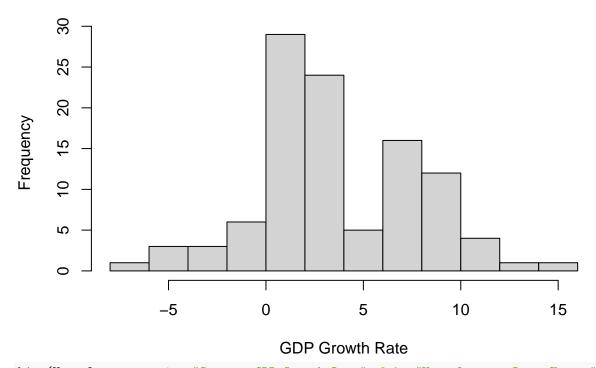
```
##
    Country
                          GDP Growth Rate Unemployment Rate Inflation Rate
##
    1:21
            2002
                   : 5
                                 :-6.60
                                          Min.
                                                  : 2.400
                                                                     :-1.35
                         Min.
                                                             Min.
##
    2:21
            2003
                   : 5
                          1st Qu.: 1.50
                                          1st Qu.: 4.360
                                                             1st Qu.: 0.98
##
   3:21
            2004
                   : 5
                         Median: 2.70
                                          Median : 5.070
                                                             Median: 2.00
##
   4:21
            2005
                   : 5
                         Mean
                                 : 3.73
                                          Mean
                                                  : 5.312
                                                             Mean
                                                                   : 2.61
##
    5:21
            2006
                          3rd Qu.: 6.90
                                          3rd Qu.: 5.600
                                                             3rd Qu.: 3.77
                   : 5
##
            2007
                   : 5
                         Max.
                                 :14.20
                                          Max.
                                                  :11.170
                                                             Max.
                                                                     :11.99
##
            (Other):75
```

#Histogram Comments

#When looking at the histogram of the GDP Growth Rates, the mean of 3.73 seems #to be greater than the median value of 2.7. This is a distribution that is skewed #to the right, since there are a few values that bring the mean up, but do not #really affect the median. As far as looking at the unemployment, the same #can be said, as the histogram is still skewed a bit to the right, but the #mean(5.312) is much closer to the median of 5.070%. Finally, when looking at #the inflation rates for each of the 5 countries, it also shows a right skewing #distribution, as the mean is still greater than the median.

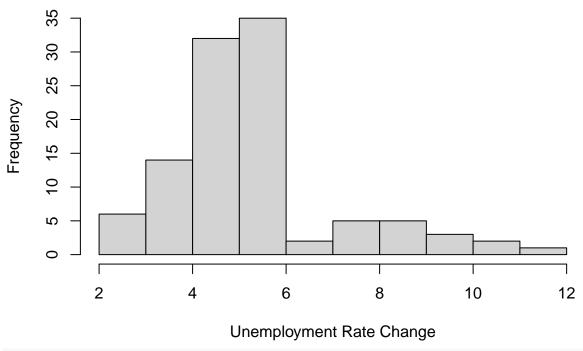
hist(GDPGR, main= "Country GDP Growth Rate", xlab="GDP Growth Rate")

Country GDP Growth Rate



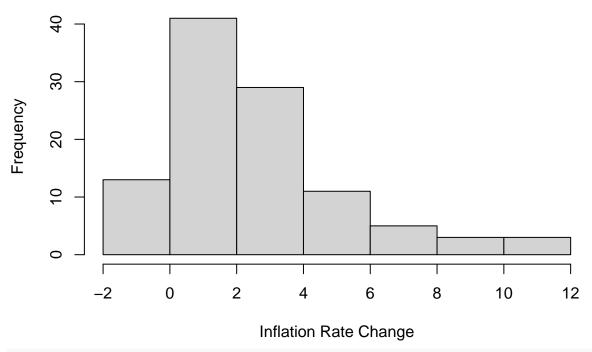
hist(Unemployment, main= "Country GDP Growth Rate", xlab= "Unemployment Rate Change")

Country GDP Growth Rate



hist(Inflation, main= "Country GDP Growth Rate", xlab= "Inflation Rate Change")

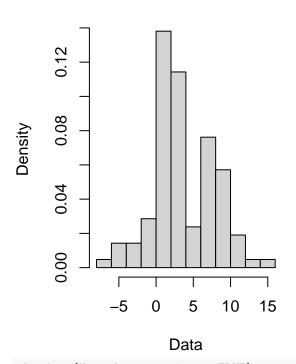
Country GDP Growth Rate

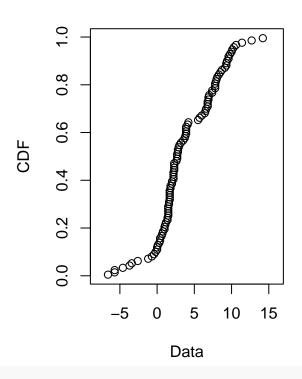


library(fitdistrplus)
#Fitted Distributions
plotdist(GDPGR, histo=TRUE)

Histogram

Cumulative distribution

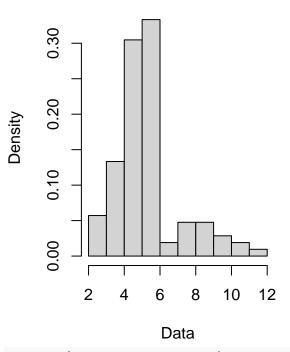


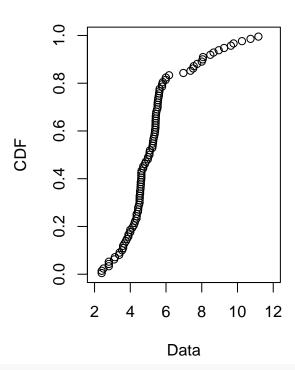


plotdist(Unemployment, histo=TRUE)

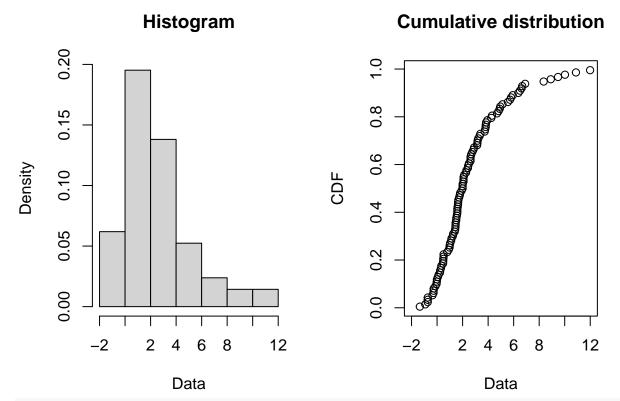
Histogram

Cumulative distribution

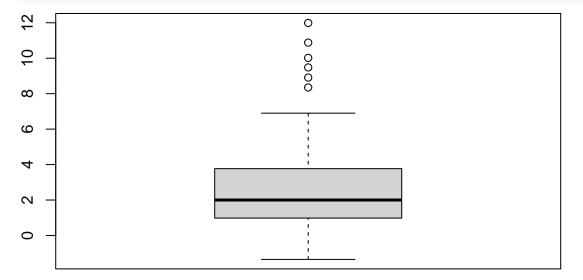




plotdist(Inflation, histo=TRUE)



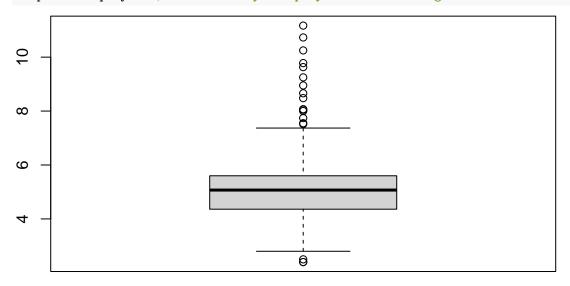
#Boxplots
boxplot(Inflation, xlab="Country Inflation Rate % Change")



Country Inflation Rate % Change

#When looking at the boxplot of the different inlation rates for the different #countries, we see that there are values that are definitely outliers, with the #max value of 11.99% coming from India, and many of these outliers coming from this country.

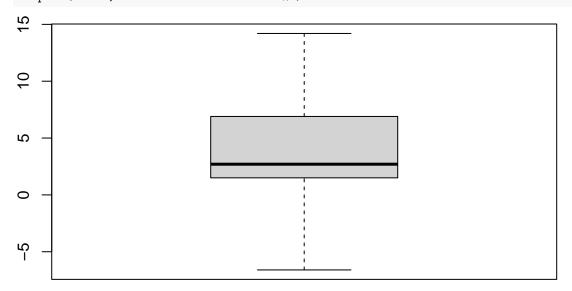




Country Unemployment Rate % Change

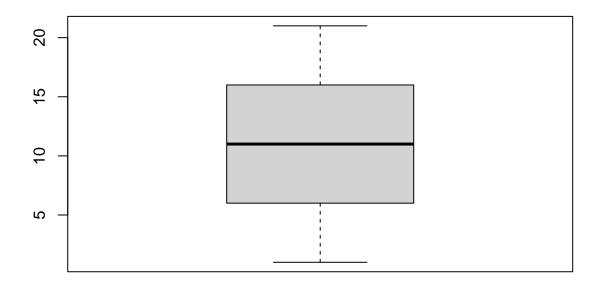
#When looking at the boxplot of different unemployment rates for the 5 countries,
#we see that there are many outliers that are present in the data. When looking at
#the data, we can see that there was a period from 2004-2006, where country 5(Germany)
#has these outliers compared to the mean and median values, with unemployment rates of 10+%

boxplot(GDPGR, xlab= "GDP Growth Rate %")



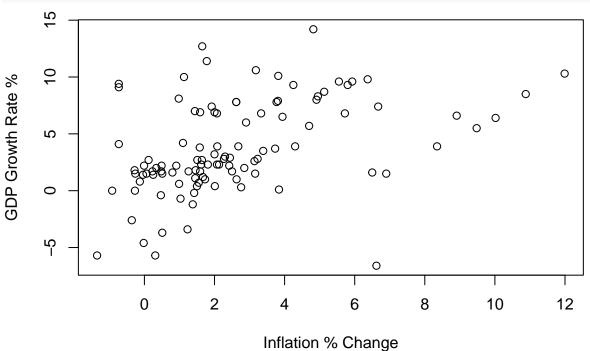
GDP Growth Rate %

boxplot(Year, xlab= "Year")



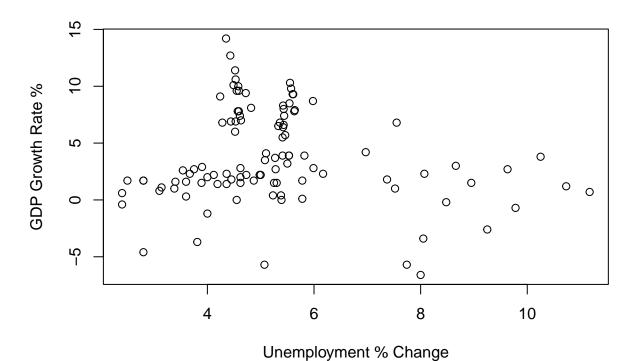
Year





#When looking at our scatterplot of the relationship between inflation and the GDP #growth rate of each country, we found that there seems to be a positive/increase #in GDP growth as inflation rate % changes start to increase.

plot(Unemployment, GDPGR, xlab="Unemployment % Change", ylab= "GDP Growth Rate %")



#Correlations cor(Inflation, GDPGR)

[1] 0.431203

#There seems to be a low, positive correlation between Inflation and the Country's #Annual GDP Growth Rate. With an increase in inflation %s, there seems to be slight #increases in country GDP Growth Rate %. cor(Unemployment, GDPGR)

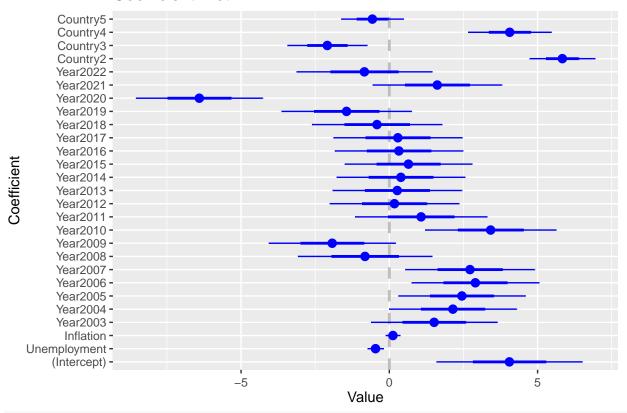
[1] -0.1420829

For correlation between unemployment rate % change and GDP Growth Rate, there #is an indication of a negative correlation of \neg .14, with a rise in unemployment #rates leading to a decrease in total GDP Growth Rate % change.

#Pooled FE.Pool <- lm(GDPGR~Unemployment+Inflation) #Full Effect FE.Full <- lm(GDPGR~Unemployment+Inflation+Year+Country) #Fixed Effect(Time) FE.Time <- lm(GDPGR~Unemployment+Inflation+Year) #Fixed Effect(Country) FE.Country <- lm(GDPGR~Unemployment+Inflation+Country) #Full vs Pooled #At least country or year has a significant effect on the model anova(FE.Full,FE.Pool)</pre>

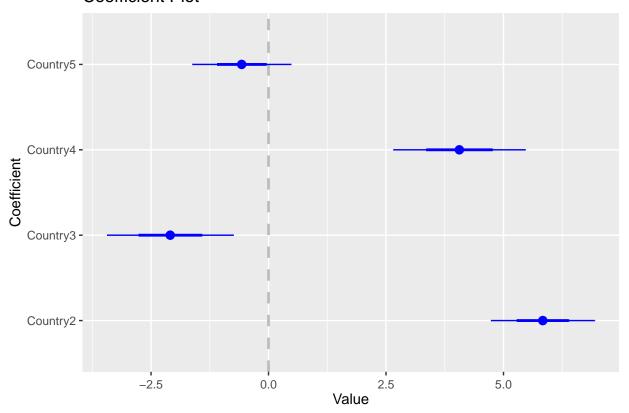
```
## Analysis of Variance Table
##
## Model 1: GDPGR ~ Unemployment + Inflation + Year + Country
## Model 2: GDPGR ~ Unemployment + Inflation
## Res.Df
               RSS Df Sum of Sq
## 1
        78 219.93
       102 1370.08 -24 -1150.2 16.996 < 2.2e-16 ***
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
#Controlled for time effects
anova(FE.Full, FE.Country)
## Analysis of Variance Table
## Model 1: GDPGR ~ Unemployment + Inflation + Year + Country
## Model 2: GDPGR ~ Unemployment + Inflation + Country
## Res.Df
             RSS Df Sum of Sq
                                     F
## 1
        78 219.93
## 2
        98 661.33 -20
                         -441.4 7.8273 1.116e-11 ***
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
#Controlled for country effects
anova(FE.Full, FE.Time)
## Analysis of Variance Table
##
## Model 1: GDPGR ~ Unemployment + Inflation + Year + Country
## Model 2: GDPGR ~ Unemployment + Inflation + Year
## Res.Df
              {\tt RSS} \ {\tt Df} \ {\tt Sum} \ {\tt of} \ {\tt Sq}
                                    F
                                         Pr(>F)
## 1
        78 219.93
## 2
        82 908.22 -4 -688.29 61.028 < 2.2e-16 ***
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
#Coefficient Plot
coefplot(FE.Full)
```

Coefficient Plot



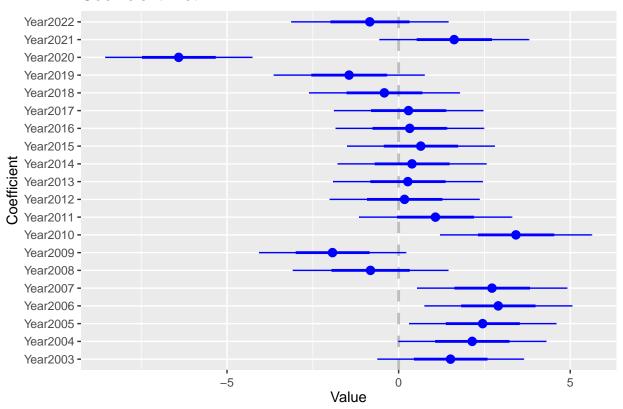
coefplot(FE.Full, predictors="Country")

Coefficient Plot



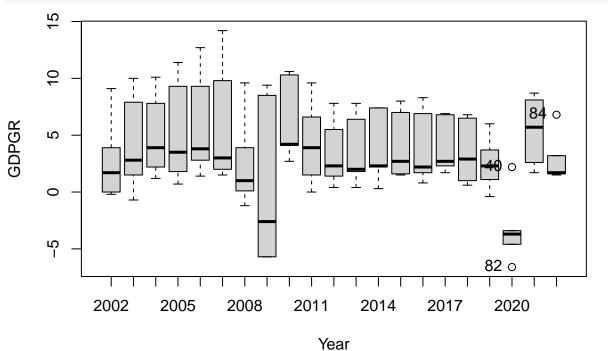
coefplot(FE.Full, predictors="Year")

Coefficient Plot



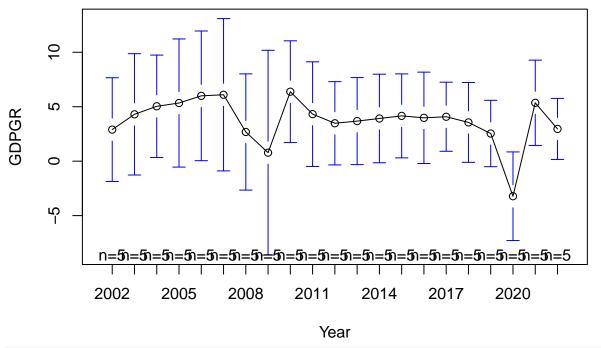
#Heterogeneity across time

scatterplot(GDPGR~Year|Country)

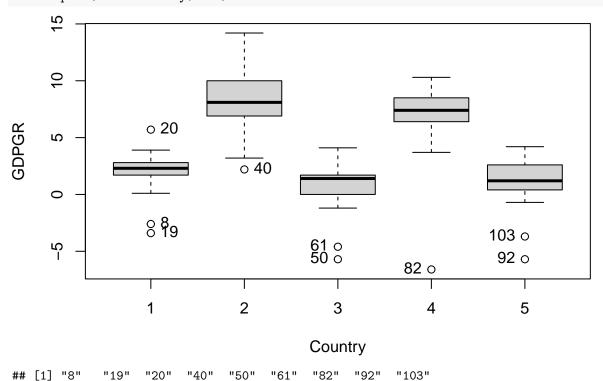


[1] "82" "40" "84"

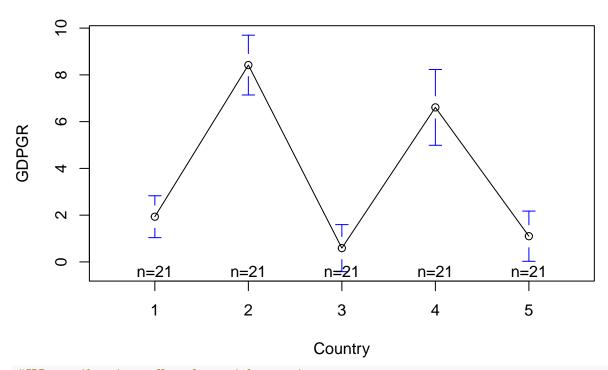
plotmeans(GDPGR~Year)



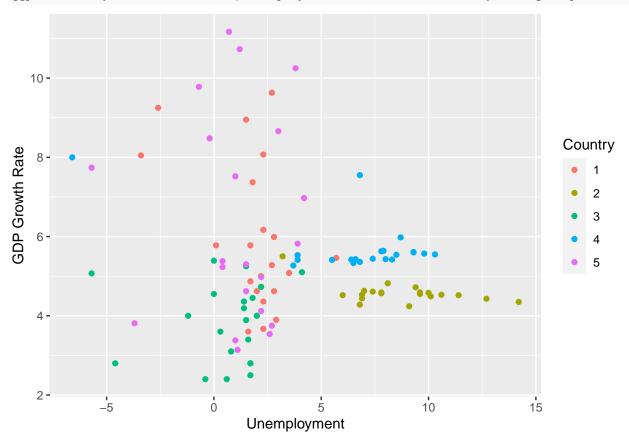
#Heterogeneity across country scatterplot(GDPGR~Country|Year)



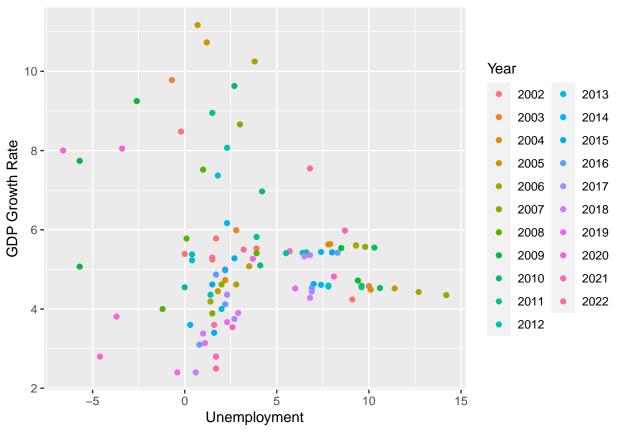
plotmeans(GDPGR~Country)



#GDP growth rate vs Unemployment by country
ggplot(CountryGDP, aes(x=GDPGR, y=Unemployment, colour=factor(Country))) + geom_point() + xlab("Unemployment)



#GDP growth rate vs Unemployment by year
ggplot(CountryGDP, aes(x=GDPGR, y=Unemployment, colour=factor(Year))) + geom_point() + xlab("Unemployment")



```
## Oneway (individual) effect Within Model
##
## Call:
  plm(formula = GDPGR ~ Inflation + Unemployment + Country + Year,
      data = CountryGDP, model = "within")
##
## Balanced Panel: n = 5, T = 21, N = 105
##
## Residuals:
##
      Min. 1st Qu.
                       Median 3rd Qu.
## -5.39315 -0.88238 0.14238 0.78103 3.72348
##
## Coefficients:
##
                Estimate Std. Error t-value Pr(>|t|)
## Inflation
                 0.12224
                            0.12161 1.0051 0.3179372
## Unemployment -0.46469
                            0.13435 -3.4587 0.0008826 ***
## Year2003
                 1.51243
                            1.06527
                                     1.4198 0.1596611
## Year2004
                 2.14378
                            1.07546
                                     1.9934 0.0497195 *
## Year2005
                 2.44807
                            1.07078 2.2863 0.0249531 *
## Year2006
                 2.90186
                            1.07468 2.7002 0.0084951 **
## Year2007
                            1.09170 2.4923 0.0148110 *
                 2.72089
## Year2008
                -0.81968
                            1.13144 -0.7245 0.4709491
```

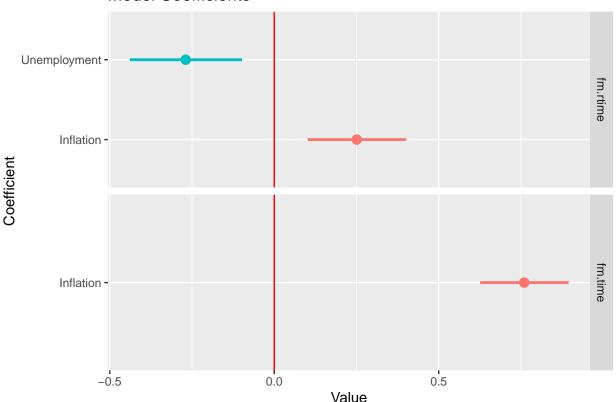
```
## Year2009
               -1.92602
                            1.06887 -1.8019 0.0754215 .
                           1.10420 3.0952 0.0027314 **
## Year2010
                3.41769
## Year2011
                1.07220 1.11332 0.9631 0.3384908
## Year2012
                0.17230 1.09048 0.1580 0.8748632
## Year2013
                0.26752 1.08932 0.2456 0.8066477
## Year2014
                0.38967 1.08204 0.3601 0.7197287
## Year2015
                0.64497 1.07369 0.6007 0.5497803
               0.32298 1.07942 0.2992 0.7655737
## Year2016
## Year2017
               0.28788 1.08616 0.2650 0.7916761
## Year2018
               -0.41617 1.09620 -0.3796 0.7052403
## Year2019
               -1.44332 1.09695 -1.3158 0.1921102
## Year2020
               -6.40825 1.06889 -5.9952 5.954e-08 ***
                1.61787 1.08875 1.4860 0.1413124
## Year2021
## Year2022
               -0.84098 1.14338 -0.7355 0.4642272
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## Total Sum of Squares:
                            697.86
## Residual Sum of Squares: 219.93
## R-Squared:
                  0.68485
## Adj. R-Squared: 0.5798
## F-statistic: 7.70463 on 22 and 78 DF, p-value: 5.822e-12
fixef(mreg.within)
##
              2
                     3
## 4.0492 9.8851 1.9575 8.1097 3.4778
#Random Effects
GDPGrowth <- pdata.frame(CountryGDP, c("Country", "Year"))</pre>
fm.time <- plm(GDPGR~Unemployment+Inflation, data=GDPGrowth, model= "within",
              effect = "time")
fm.rtime <- plm(GDPGR~Unemployment+Inflation,data=GDPGrowth, model= "random")</pre>
phtest(fm.time, fm.rtime)
##
   Hausman Test
##
##
## data: GDPGR ~ Unemployment + Inflation
## chisq = 14.757, df = 2, p-value = 0.0006246
## alternative hypothesis: one model is inconsistent
ce <- function(model.obj) {</pre>
summ.model <- summary(get(model.obj))$coefficients</pre>
extract <- summ.model[2:nrow(summ.model),drop=FALSE, 1:2]</pre>
return(data.frame(extract, vars = row.names(extract), model = model.obj))
coefs <- do.call(rbind, sapply(paste0(list(</pre>
"fm.time", "fm.rtime"
)), ce, simplify = FALSE))
names(coefs)[2] <- "se"</pre>
gg_coef <- ggplot(coefs, aes(vars, Estimate)) +</pre>
geom_hline(yintercept = 0, lty = 1, lwd = 0.5, colour = "red") +
geom_errorbar(aes(ymin = Estimate - se, ymax = Estimate + se, colour = vars),
```

```
lwd = 1, width = 0
) +
geom_point(size = 3, aes(colour = vars)) +
facet_grid(model ~ ., scales="free") +
coord_flip() +
guides(colour = FALSE) +
labs(x = "Coefficient", y = "Value") +
ggtitle("Model Coefficients")

## Warning: Using `size` aesthetic for lines was deprecated in ggplot2 3.4.0.
## i Please use `linewidth` instead.

## Warning: The `<scale>` argument of `guides()` cannot be `FALSE`. Use "none" instead as
## of ggplot2 3.3.4.
gg_coef
```

Model Coefficients



#After testing the fixed effects, pooled, and random effects model, we came to the #conclusion that the fixed effects model with time was the preferred model. When we #tested the full model versus pooled model there was significance when using the anova #test, which meant that either country or time has a significant effect on the model. #When we tested the fixed effects models for time and country, we found that that time #had a more significant effect on the model. We then tested the fixed effects model to #the random effects model and found that the fixed effects model was preferred over #the random effects model using the Hausmann test.

```
#Qualitative Dependent Variable Models
heart <- read_csv("~/Desktop/School/Econ 104/heart_data.csv")</pre>
```

```
## Rows: 70000 Columns: 16
## -- Column specification -----
## Delimiter: ","
## dbl (16): index, id, age, age years, gender, gender dummy, height, weight, a...
## i Use `spec()` to retrieve the full column specification for this data.
## i Specify the column types or set `show col types = FALSE` to quiet this message.
cardio <- heart$cardio
gender <- heart$`gender dummy`</pre>
age <- heart$`age years`
height <- heart$height
weight <- heart$weight</pre>
systolic <- heart$ap hi
diastolic <- heart$ap_lo</pre>
cholesterol <- heart$cholesterol</pre>
glucose <- heart$gluc</pre>
smoke <- heart$smoke</pre>
alcohol <- heart$alco</pre>
active <- heart$active
```

#Question 2 Part 1

#The question that our group was trying to answer was that we were trying to predict #whether a patient would have some sort of cardiovascular disease, by analyzing the #effect of lifestyle and environmental factors, such as their gender, weight, height, #if they were active, if they smoked or consumed alcohol, etc... We gathered our data #from Kaggle, and was updated two months ago. We will try and detect any patterns #and predict different outcomes by using our best model and changing values within #our model to see how it will affect the probability that the patient will encounter #a cardiovascular disease or not.

summary(heart)

```
gender
      index
                      id
                                  age
                                              age years
## Min. :
                              Min. :10798
                                            Min. :29.60 Min. :1.00
               \mathtt{Min.} :
  1st Qu.:17500
                1st Qu.:25007
                              1st Qu.:17664
                                            1st Qu.:48.40
                                                         1st Qu.:1.00
## Median :35000 Median :50002
                              Median :19703
                                            Median :54.00
                                                         Median:1.00
## Mean :35000 Mean :49972
                              Mean :19469
                                            Mean :53.34
                                                          Mean :1.35
## 3rd Qu.:52499
                3rd Qu.:74889
                                                          3rd Qu.:2.00
                              3rd Qu.:21327
                                            3rd Qu.:58.40
## Max. :69999
                Max. :99999
                              Max. :23713
                                            Max. :65.00
                                                          Max. :2.00
##
   gender dummy
                   height
                               weight
                                                 ap_hi
## Min. :0.0000 Min. :55.0 Min. :10.00 Min. :-150.0
## 1st Qu.:0.0000
                 1st Qu.:159.0
                              1st Qu.: 65.00 1st Qu.: 120.0
## Median :1.0000
                 Median :165.0
                              Median : 72.00
                                              Median: 120.0
                                              Mean : 128.8
## Mean :0.6504
                 Mean :164.4
                               Mean : 74.21
##
   3rd Qu.:1.0000 3rd Qu.:170.0
                               3rd Qu.: 82.00
                                              3rd Qu.: 140.0
##
  Max. :1.0000 Max. :250.0 Max. :200.00
                                              Max. :16020.0
      ap_lo
##
                    cholesterol
                                     gluc
                                                  smoke
## Min. : -70.00 Min. :1.000 Min. :1.000
                                             Min.
                                                    :0.00000
## 1st Qu.: 80.00 1st Qu.:1.000 1st Qu.:1.000
                                              1st Qu.:0.00000
## Median: 80.00 Median:1.000 Median:1.000
                                              Median: 0.00000
## Mean : 96.63 Mean :1.367
                                 Mean :1.226
                                              Mean :0.08813
##
   3rd Qu.: 90.00 3rd Qu.:2.000
                                 3rd Qu.:1.000
                                               3rd Qu.:0.00000
## Max. :11000.00 Max. :3.000
                                 Max. :3.000
                                              Max. :1.00000
       alco
                     active
                                    cardio
```

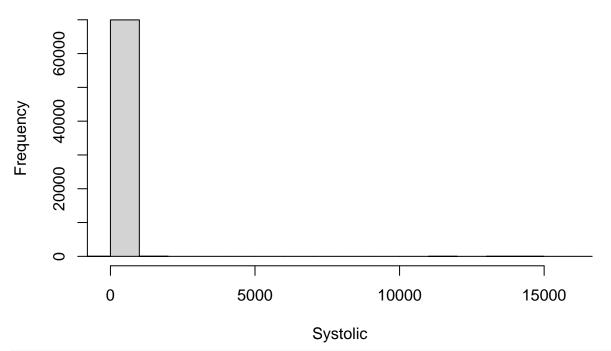
```
## Min.
           :0.00000
                     Min.
                            :0.0000
                                       Min.
                                              :0.0000
   1st Qu.:0.00000
##
                     1st Qu.:1.0000
                                       1st Qu.:0.0000
  Median :0.00000
                     Median :1.0000
                                       Median :0.0000
## Mean
           :0.05377
                     Mean
                             :0.8037
                                       Mean
                                              :0.4997
                     3rd Qu.:1.0000
   3rd Qu.:0.00000
                                       3rd Qu.:1.0000
## Max.
           :1.00000
                     Max.
                             :1.0000
                                       Max.
                                              :1.0000
```

#When looking at the data, there were a couple of major outliers, specifically when #looking at the systolic blood pressure reading, diastolic blood pressure reading. With #a mean of 128.8 for systolic reading, there was one value that was at 16020, but we #weren't sure if this was an actual reading since it was so high. This was also the #case for the diastolic reading(11000)

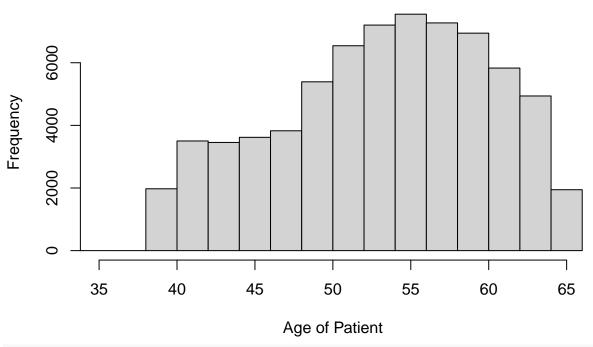
#Histograms

hist(systolic, main="Cardiovascular Disease", xlab= "Systolic", xlim=c(-150,16020))

Cardiovascular Disease

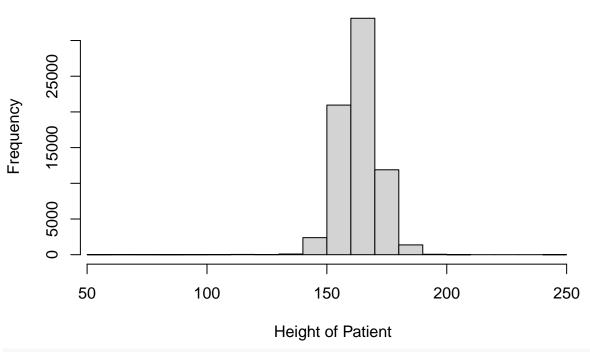


hist(age, main="Cardiovasular Disease", xlab= "Age of Patient", xlim=c(35,65))

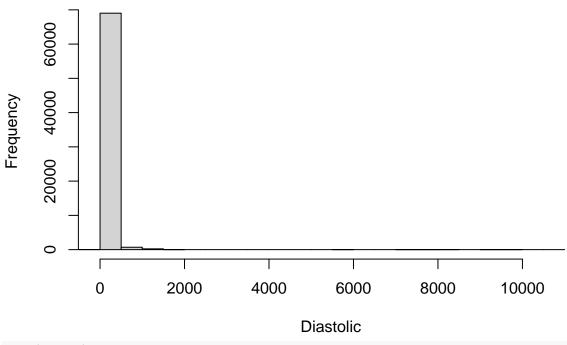


hist(height, main="Cardiovascular Disease", xlab= "Height of Patient", xlim=c(55,250))

Cardiovascular Disease

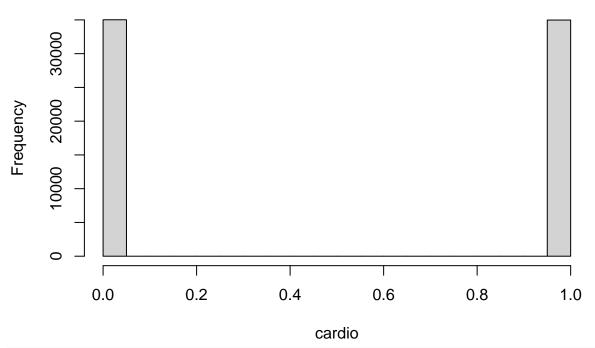


hist(diastolic, main="Cardiovascular Disease", xlab="Diastolic",xlim=c(-70, 11000))

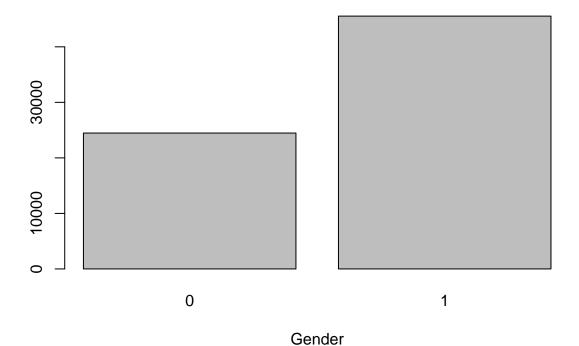


hist(cardio)

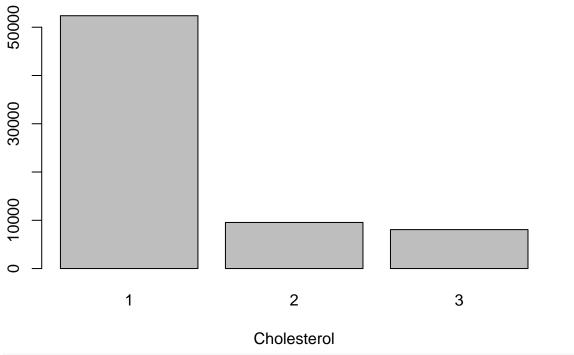
Histogram of cardio



#When looking at the histograms of age in years, the mean of 53.34 is a bit lower #than the median of 54, and is a left skewing distribution. This can also be seen #with weight of the patient. Also the weight of the patient's histogram is right skewing .

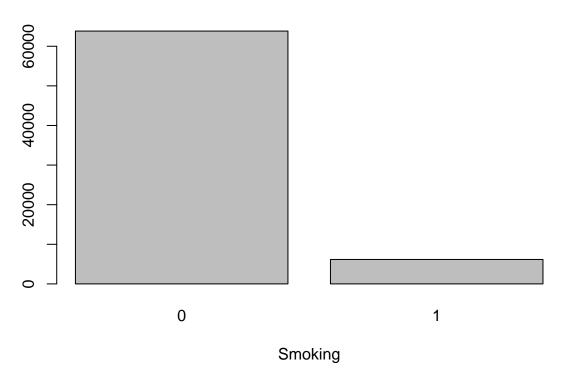


barchart2 <- table(cholesterol)
barplot(barchart2,main="Cardiovascular Disease", xlab="Cholesterol")</pre>

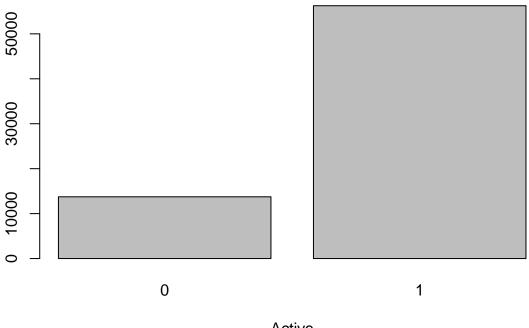


barchart3 <- table(smoke)
barplot(barchart3, main="Cardiovascular Disease", xlab="Smoking")</pre>

Cardiovascular Disease



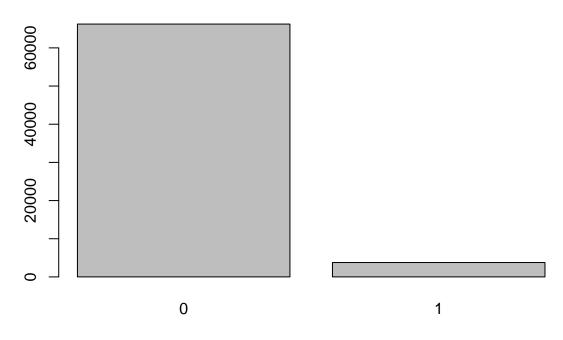
barchart4<- table(active)
barplot(barchart4, main="Cardiovascular Disease", xlab="Active")</pre>



Active

barchart5<-table(alcohol)</pre> barplot(barchart5, main="Cardiovascular Disease", xlab="Alcohol")

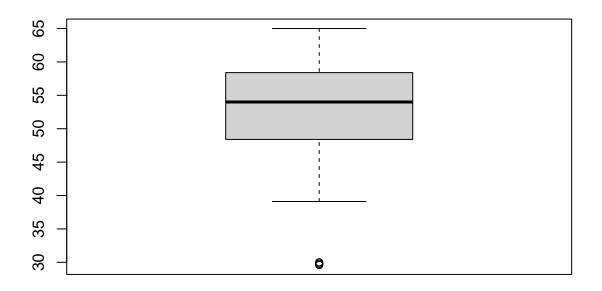
Cardiovascular Disease



Alcohol

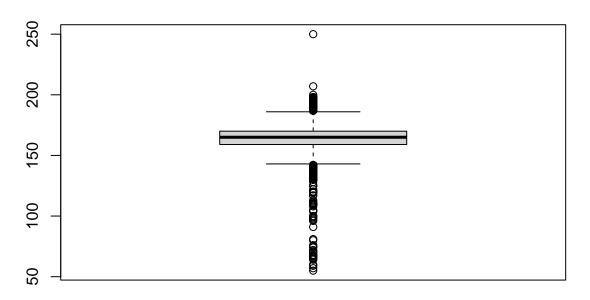
#When looking at the bar charts for the binary variables in the data, we see that #a majority of participants were males(1). Most of the participants did not smoke(0), #and did not consume alcohol(0), and a majority were active(1).

```
#Boxplots
boxplot(age,xlab= "age of patient", main="Cardiovascular Disease")
```



age of patient

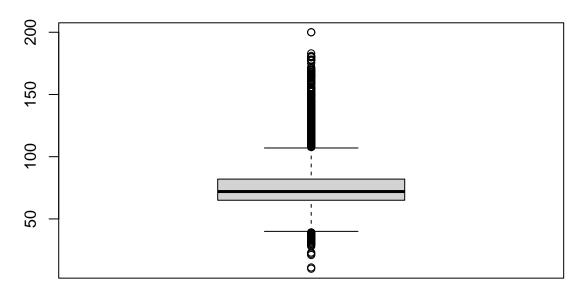
boxplot(height, xlab="height of patient", main="Cardiovascular Disease")



height of patient

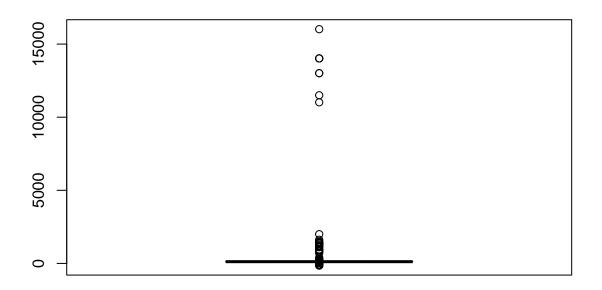
boxplot(weight, xlab="weight of patient", main="Cardopvascular Disease")

Cardopvascular Disease



weight of patient

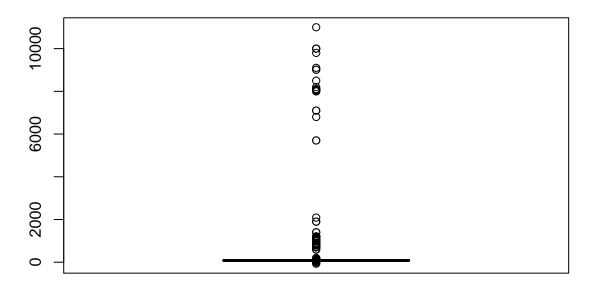
boxplot(systolic, xlab= "Systolic blood pressure reading", main="Cardiovascular Disease")



Systolic blood pressure reading

boxplot(diastolic, xlab= "Diastolic blood pressure reading", main="Cardiovascular Disease")

Cardiovascular Disease



Diastolic blood pressure reading

#Correlations
cor(age, cardio)

[1] 0.2381366

```
cor(height, cardio)

## [1] -0.01082106

cor(weight, cardio)

## [1] 0.1816596

cor(cholesterol, cardio)

## [1] 0.2211473

cor(active, cardio)

## [1] -0.03565325

#Before identifying the three models: Linear Probability Model, Probit and Logit Model,
#we were able to calculate different correlations between the predictors and cardiovascular
#disease being present. The three highest positive correlations that we found with cardiovascular
#disease is with age (0.24), cholesterol(0.22), and weight(0.18). With an increase in
```

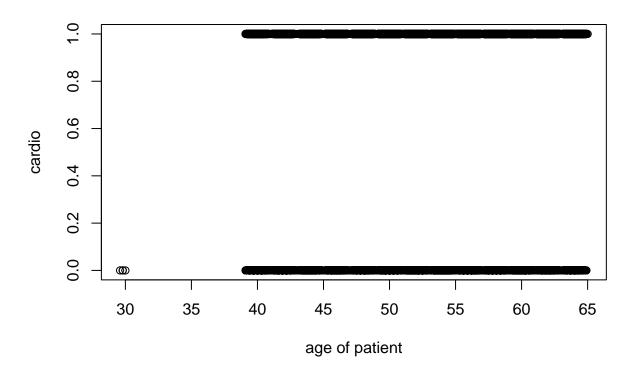
#Scatterplots

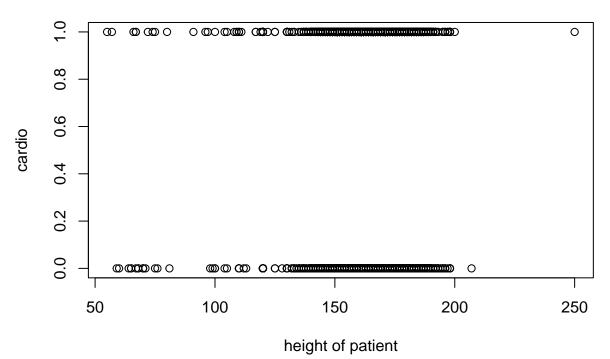
plot(age, cardio, main="Cariovascular Disease", xlab="age of patient")

Cariovascular Disease

#these values, there was also increases in risk of cardiovascular disease being present. $\#Some\ negative\ correlations\ that\ are\ important\ to\ point\ out\ are\ whether\ the\ patient\ is\ \#active(-0.04), and\ height(-0.01).$ Although very small values, it shows that as values were

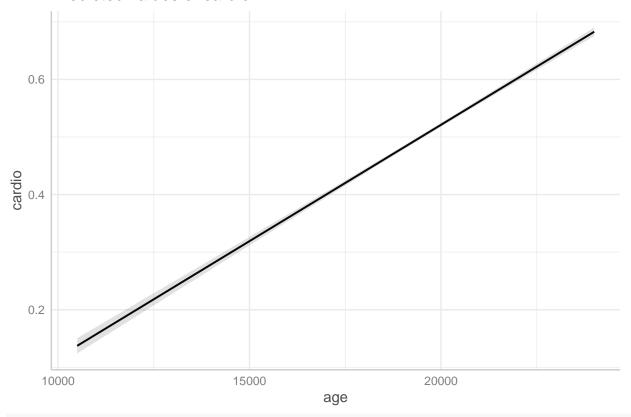
#higher for these predictors, the rates of having cardiovascular disease decreased.



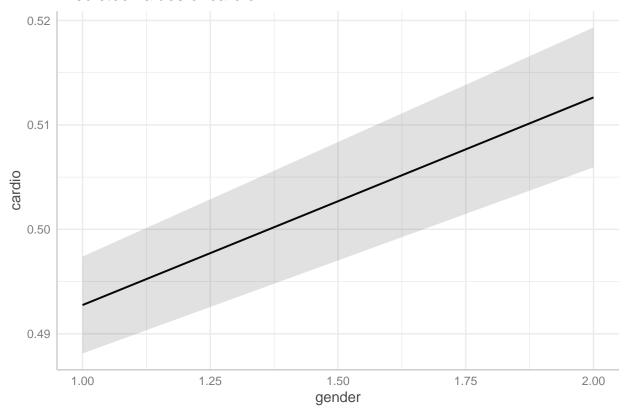


```
##
## Call:
## lm(formula = cardio ~ gender + age + height + weight + systolic +
       diastolic + cholesterol + glucose + smoke + alcohol + active,
##
##
       data = heart)
##
## Residuals:
##
               1Q Median
      Min
                               3Q
                                      Max
## -2.5205 -0.4315 -0.1108 0.4563 0.9579
##
## Coefficients:
##
                Estimate Std. Error t value Pr(>|t|)
## (Intercept) -4.770e-01 4.258e-02 -11.202 < 2e-16 ***
               1.988e-02 4.490e-03
                                      4.428 9.55e-06 ***
## gender
## age
               4.041e-05
                          7.321e-07
                                     55.188
              -2.291e-03 2.592e-04
                                     -8.841
## height
                                             < 2e-16 ***
## weight
               5.362e-03 1.311e-04 40.896
                                             < 2e-16 ***
## systolic
               1.330e-04 1.152e-05 11.541
                                             < 2e-16 ***
               1.356e-04 9.420e-06 14.394
## diastolic
                                             < 2e-16 ***
## cholesterol 1.317e-01 2.970e-03 44.346 < 2e-16 ***
## glucose
              -2.558e-02 3.478e-03 -7.355 1.94e-13 ***
```

```
-2.249e-02 6.985e-03 -3.220 0.001280 **
## smoke
## alcohol
            -2.871e-02 8.388e-03 -3.423 0.000619 ***
## active
             -4.153e-02 4.468e-03 -9.295 < 2e-16 ***
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## Residual standard error: 0.469 on 69988 degrees of freedom
## Multiple R-squared: 0.1202, Adjusted R-squared: 0.12
## F-statistic: 869 on 11 and 69988 DF, p-value: < 2.2e-16
confint(lp.model)
                      2.5 %
                                  97.5 %
## (Intercept) -5.605119e-01 -3.935804e-01
## gender 1.107874e-02 2.867882e-02
              3.897092e-05 4.184092e-05
## age
## height
             -2.799258e-03 -1.783342e-03
## weight
              5.104587e-03 5.618512e-03
## systolic
              1.103867e-04 1.555505e-04
## diastolic 1.171266e-04 1.540519e-04
## cholesterol 1.258999e-01 1.375434e-01
            -3.240018e-02 -1.876462e-02
## glucose
## smoke
              -3.618301e-02 -8.803782e-03
## alcohol
             -4.515529e-02 -1.227323e-02
## active
             -5.028218e-02 -3.276959e-02
lp.pred.model <- ifelse(fitted(lp.model) > 0.5, 1, 0)
table(lp.pred.model,cardio)
##
               cardio
## lp.pred.model
                 0
              0 23904 13558
##
              1 11117 21421
mean(lp.pred.model == cardio)
## [1] 0.6475
plot(ggpredict(lp.model, "age"))
```



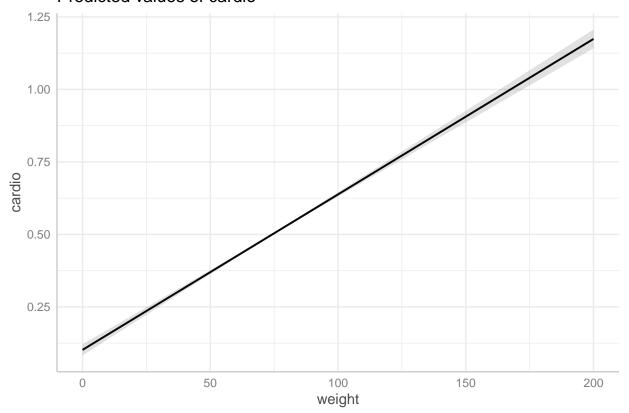
plot(ggpredict(lp.model, "gender"))



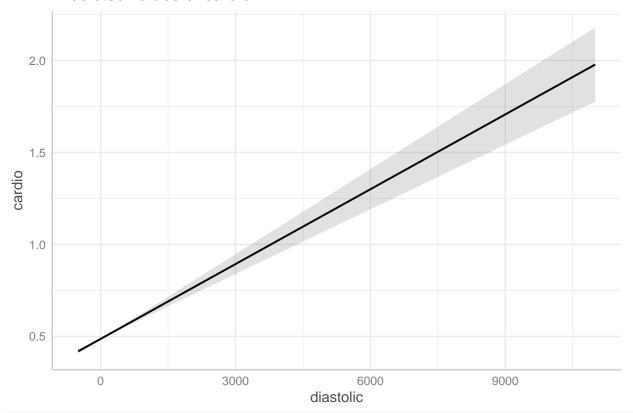
plot(ggpredict(lp.model, "height"))

height

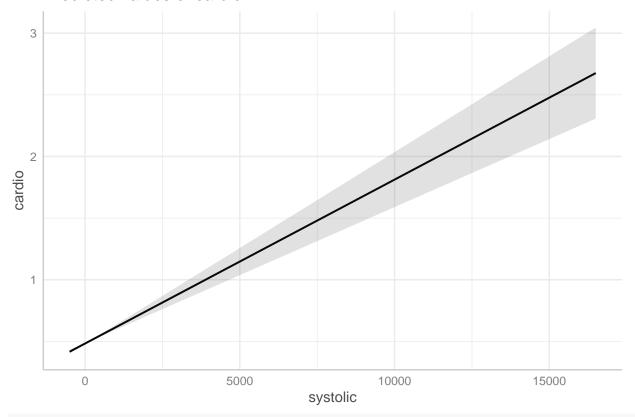
plot(ggpredict(lp.model,"weight"))



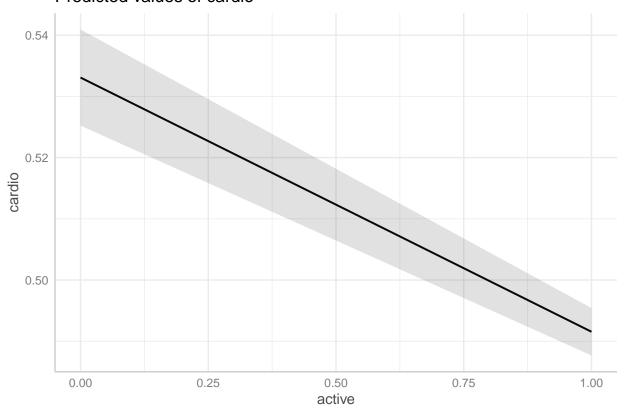
plot(ggpredict(lp.model, "diastolic"))



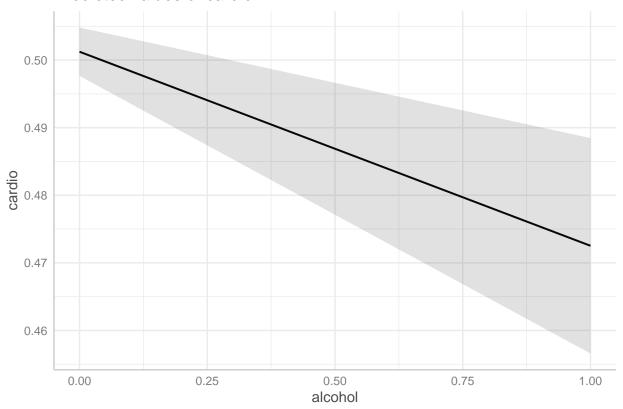
plot(ggpredict(lp.model, "systolic"))



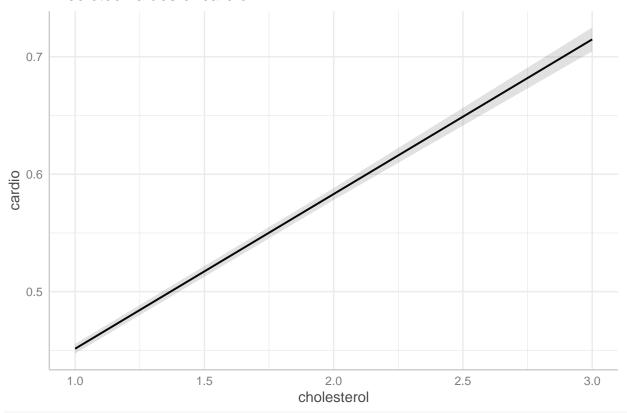
plot(ggpredict(lp.model,"active"))



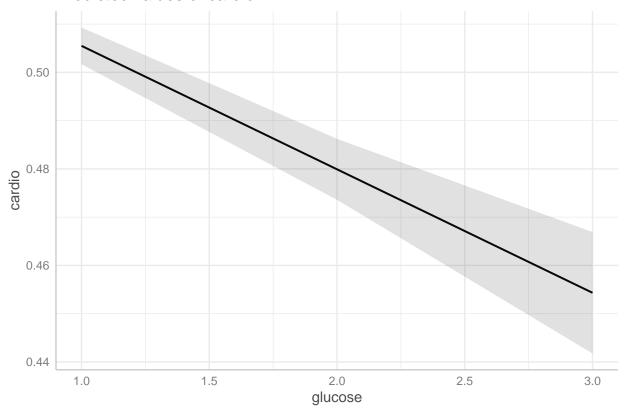
plot(ggpredict(lp.model, "alcohol"))



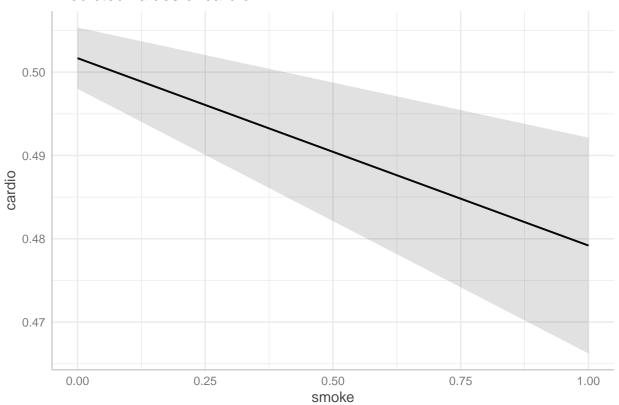
plot(ggpredict(lp.model,"cholesterol"))



plot(ggpredict(lp.model, "glucose"))



plot(ggpredict(lp.model,"smoke"))

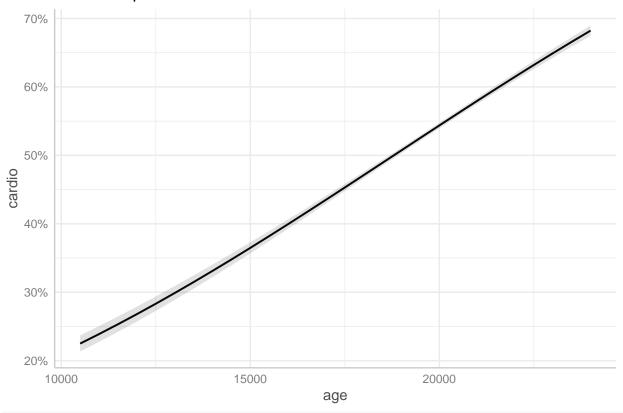


#After using the ggpredict command, we were able to support the correlation that we #found earlier on between certain predictors. When looking at height, as the height #of the patient increased, the predicted value of having a cardiovascular disease went #from about 0.50-0.55 range when there height was at the 150 cm threshold, and decreased #to around 0.35 when their height was greater than 250cm. There was a small error band #around the lower and higher threshold values but was still pretty close to what we #expected. The accuracy on the looking at weight predictions were very accurate. #As the weight increased from 50kg which had a predicted value of 0.38, to about a #predicted value of 0.63 when the weight was greater than 100kg which made sense.

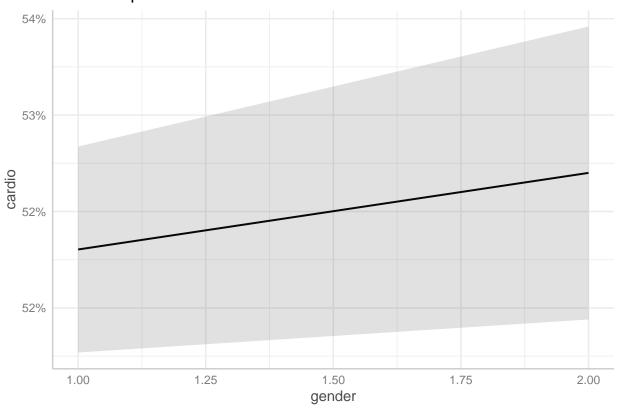
#Probit Model

Warning: glm.fit: fitted probabilities numerically 0 or 1 occurred
summary(probit.model)

```
##
## Coefficients:
##
                Estimate Std. Error z value Pr(>|z|)
## (Intercept) -5.186e+00 1.282e-01 -40.460 < 2e-16 ***
## gender
               9.976e-03 1.276e-02
                                     0.782
                                              0.434
               9.106e-05 2.134e-06 42.675 < 2e-16 ***
## age
## height
              -3.260e-03 7.436e-04 -4.385 1.16e-05 ***
              9.068e-03 3.948e-04 22.972 < 2e-16 ***
## weight
## systolic
              2.398e-02 3.526e-04 68.012 < 2e-16 ***
## diastolic 1.483e-04 3.493e-05 4.247 2.17e-05 ***
## cholesterol 3.099e-01 8.873e-03 34.921 < 2e-16 ***
## glucose
              -7.198e-02 1.016e-02 -7.083 1.41e-12 ***
## smoke
              -8.084e-02 1.999e-02 -4.044 5.26e-05 ***
## alcohol
              -1.038e-01 2.417e-02 -4.293 1.76e-05 ***
## active
              -1.272e-01 1.273e-02 -9.990 < 2e-16 ***
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## (Dispersion parameter for binomial family taken to be 1)
##
##
      Null deviance: 97041 on 69999 degrees of freedom
## Residual deviance: 81454 on 69988 degrees of freedom
## AIC: 81478
## Number of Fisher Scoring iterations: 13
probit.pred.model <- ifelse(fitted(probit.model) > 0.5,1,0)
table(probit.pred.model, cardio)
                   cardio
## probit.pred.model
                        Λ
                              1
##
                  0 26816 11281
##
                  1 8205 23698
mean(probit.pred.model == cardio)
## [1] 0.7216286
plot(ggpredict(probit.model, "age"))
## Data were 'prettified'. Consider using `terms="age [all]"` to get smooth
    plots.
```

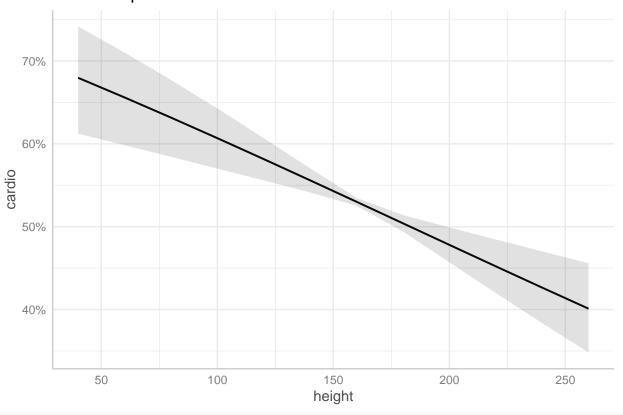


plot(ggpredict(probit.model, "gender"))



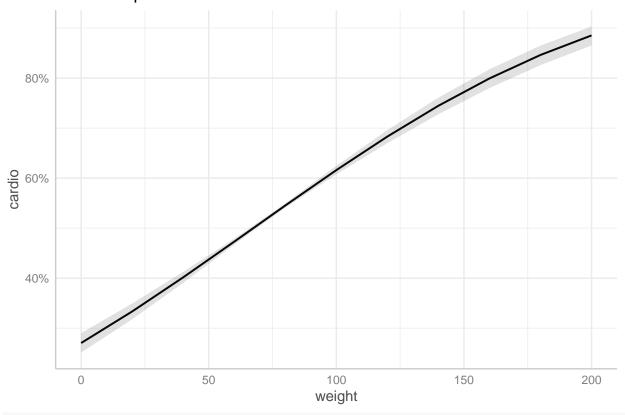
plot(ggpredict(probit.model,"height"))

Data were 'prettified'. Consider using `terms="height [all]"` to get
smooth plots.



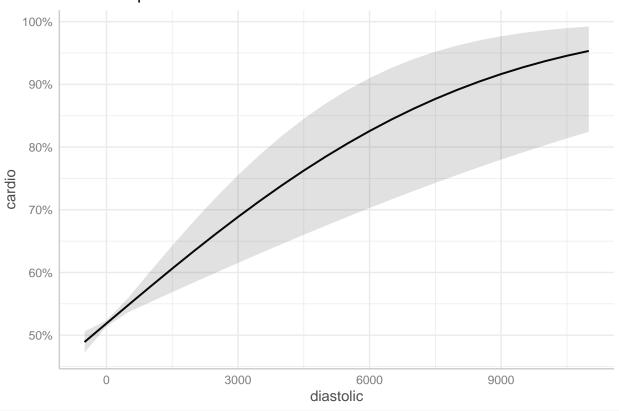
plot(ggpredict(probit.model,"weight"))

Data were 'prettified'. Consider using `terms="weight [all]"` to get
smooth plots.



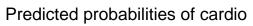
plot(ggpredict(probit.model,"diastolic"))

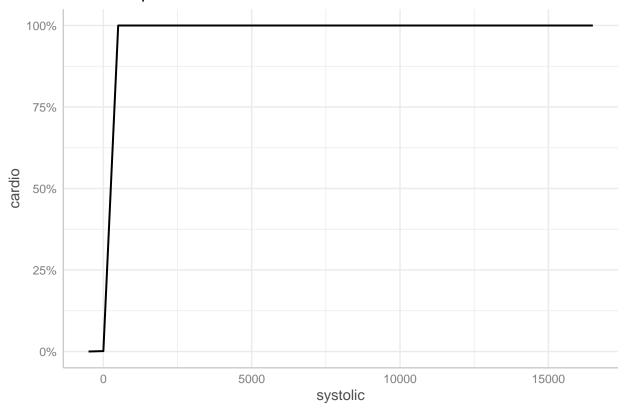
Data were 'prettified'. Consider using `terms="diastolic [all]"` to get
smooth plots.



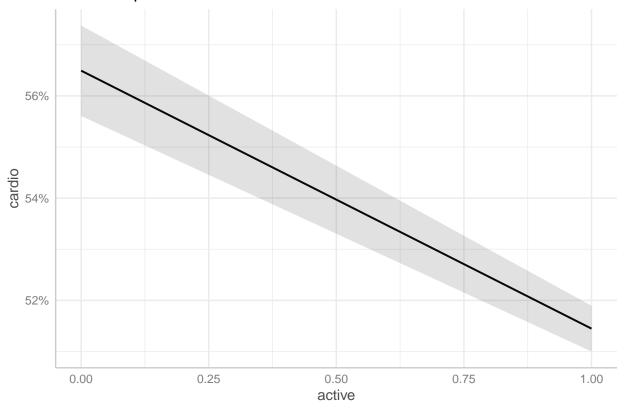
plot(ggpredict(probit.model, "systolic"))

Data were 'prettified'. Consider using `terms="systolic [all]"` to get
smooth plots.

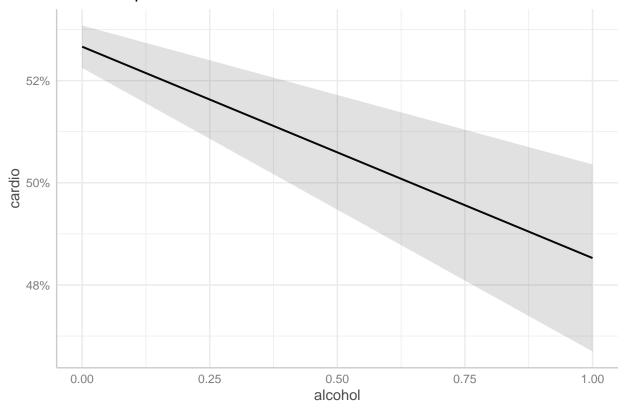




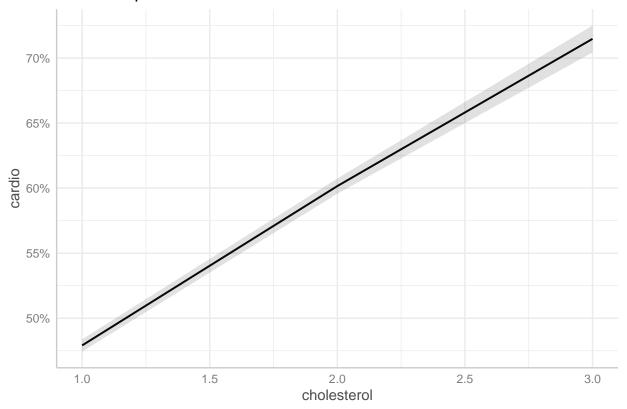
plot(ggpredict(probit.model,"active"))



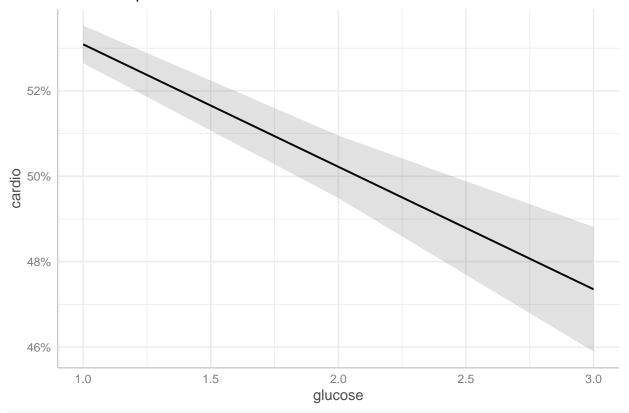
plot(ggpredict(probit.model,"alcohol"))



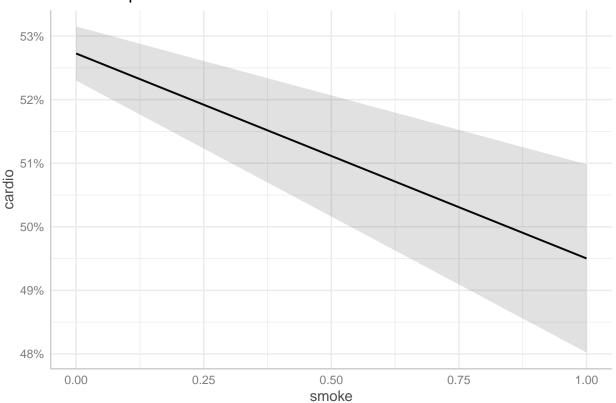
plot(ggpredict(probit.model,"cholesterol"))



plot(ggpredict(probit.model,"glucose"))



plot(ggpredict(probit.model,"smoke"))



#Looking at the probit model predicted values, we compared the same variables to see how #it affected the values. The same conclusion can be made about the correlation between #predictors and having cardiovascular disease. But something we found interesting was that #for the height predicted values, the error band of the confidence interval seemed to be a #bit larger than the linear probability model. We believe that although this may be the case, #we found our probit model to have the best accuracy for predicting cardiovascular disease #within the patient, as it balances out the values for each predictor more accurately. For #the weight, the predicted probabilities were a bit higher at 50kg, around 0.45, and 0.63 #at around 100kg.

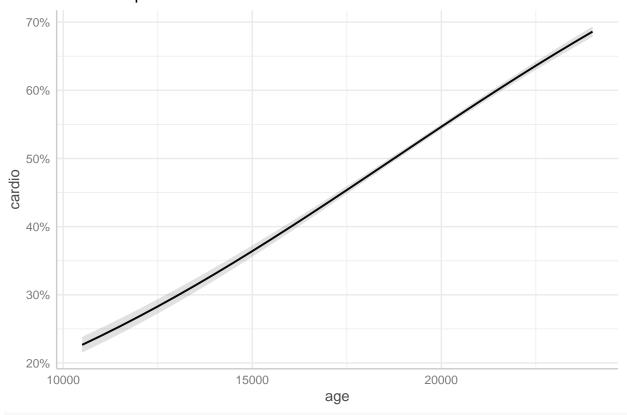
#Logit Model

Warning: glm.fit: algorithm did not converge

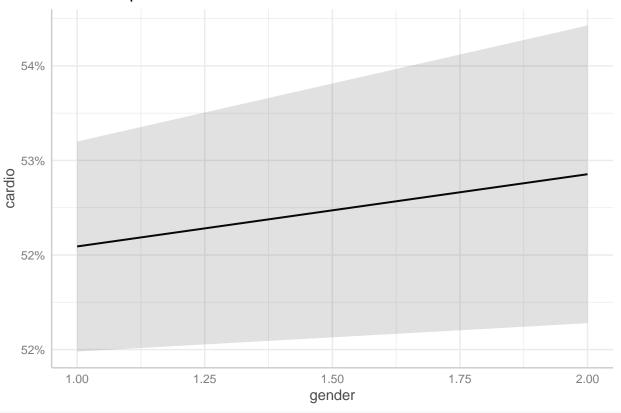
Warning: glm.fit: fitted probabilities numerically 0 or 1 occurred
summary(logit.model)

```
##
## Call:
## glm(formula = cardio ~ gender + age + height + weight + systolic +
## diastolic + cholesterol + glucose + smoke + alcohol + active,
## family = binomial(link = "logit"), data = heart)
##
## Deviance Residuals:
## Min 1Q Median 3Q Max
```

```
## -8.4904 -0.9638 -0.0976
                            0.9897
                                      4.6641
##
## Coefficients:
                Estimate Std. Error z value Pr(>|z|)
##
## (Intercept) -8.510e+00 2.142e-01 -39.725 < 2e-16 ***
## gender
             1.532e-02 2.107e-02 0.727
                                              0.467
              1.488e-04 3.553e-06 41.889 < 2e-16 ***
## age
## height
              -5.732e-03 1.231e-03 -4.656 3.22e-06 ***
## weight
              1.535e-02 6.594e-04 23.275 < 2e-16 ***
## systolic
              3.953e-02 6.053e-04 65.314 < 2e-16 ***
## diastolic
              3.001e-04 6.734e-05 4.456 8.37e-06 ***
## cholesterol 5.233e-01 1.499e-02 34.917 < 2e-16 ***
              -1.186e-01 1.700e-02 -6.978 2.99e-12 ***
## glucose
              -1.316e-01 3.317e-02 -3.968 7.26e-05 ***
## smoke
## alcohol
              -1.691e-01 4.021e-02 -4.204 2.62e-05 ***
## active
              -2.098e-01 2.105e-02 -9.967 < 2e-16 ***
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
##
## (Dispersion parameter for binomial family taken to be 1)
##
##
      Null deviance: 97041 on 69999 degrees of freedom
## Residual deviance: 80920 on 69988 degrees of freedom
## AIC: 80944
##
## Number of Fisher Scoring iterations: 25
logit.pred.model <- ifelse(fitted(logit.model) > 0.5, 1, 0)
table(logit.pred.model, cardio)
                  cardio
##
## logit.pred.model
                       0
##
                 0 26777 11264
                 1 8244 23715
mean(logit.pred.model == cardio)
## [1] 0.7213143
plot(ggpredict(logit.model, "age"))
## Data were 'prettified'. Consider using `terms="age [all]"` to get smooth
##
    plots.
```

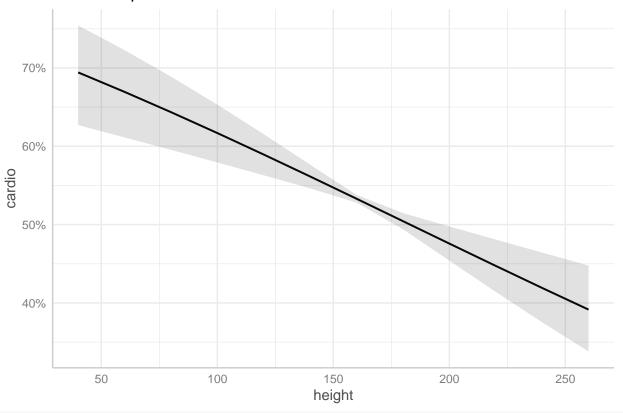


plot(ggpredict(logit.model,"gender"))



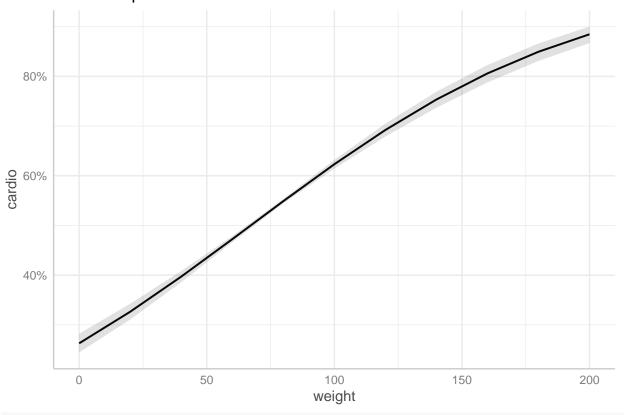
plot(ggpredict(logit.model,"height"))

Data were 'prettified'. Consider using `terms="height [all]"` to get
smooth plots.



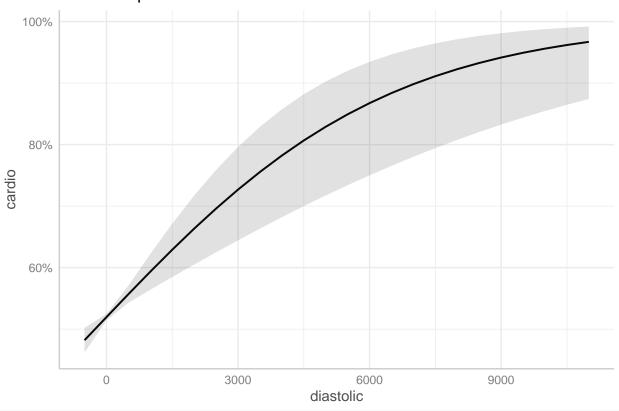
plot(ggpredict(logit.model,"weight"))

Data were 'prettified'. Consider using `terms="weight [all]"` to get
smooth plots.



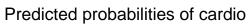
plot(ggpredict(logit.model,"diastolic"))

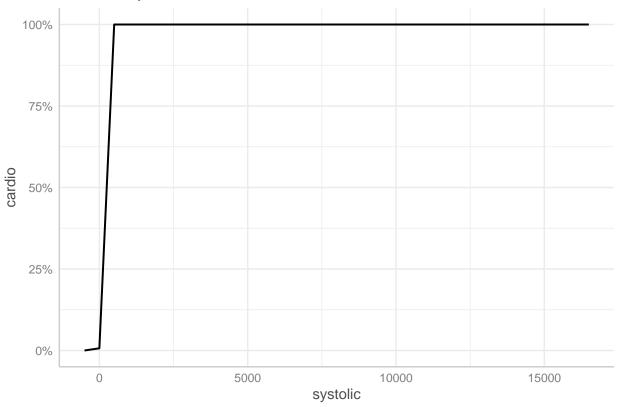
Data were 'prettified'. Consider using `terms="diastolic [all]"` to get
smooth plots.



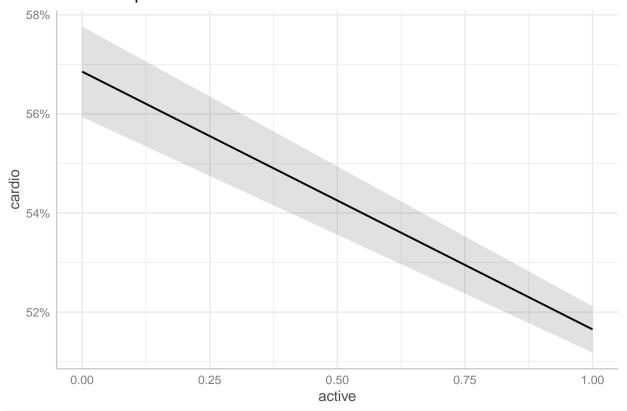
plot(ggpredict(logit.model, "systolic"))

Data were 'prettified'. Consider using `terms="systolic [all]"` to get
smooth plots.

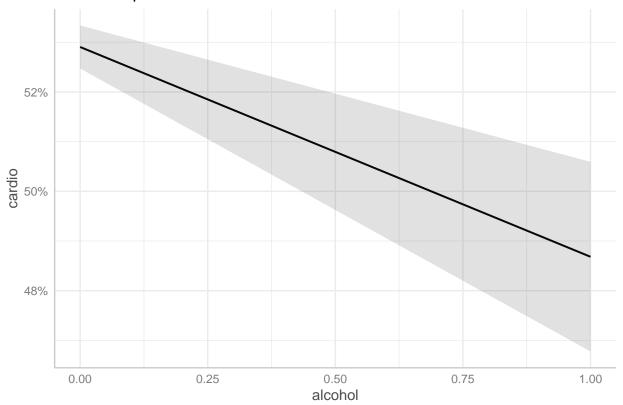




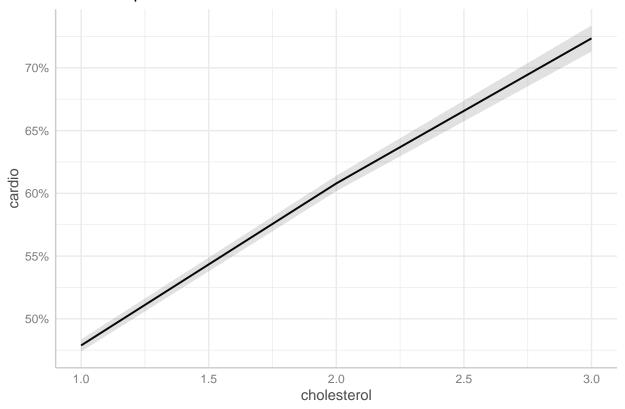
plot(ggpredict(logit.model,"active"))



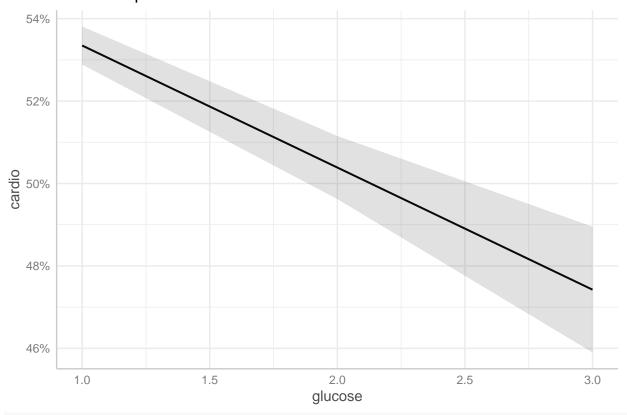
plot(ggpredict(logit.model, "alcohol"))



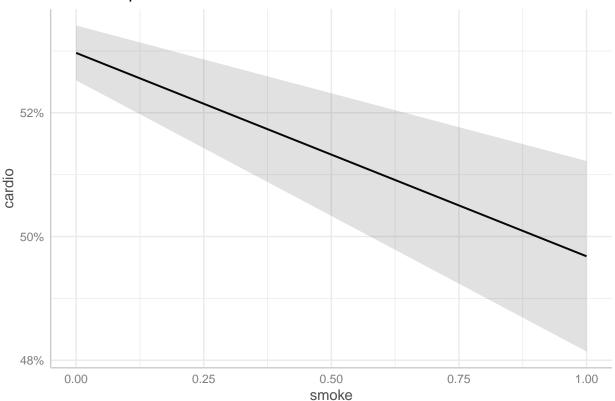
plot(ggpredict(logit.model,"cholesterol"))



plot(ggpredict(logit.model,"glucose"))



plot(ggpredict(logit.model,"smoke"))



#Looking at the logit predicted values, we saw that the predicted values for cardiovascular #disease was a couple % points larger for height at 150kg and had around the same #predicted value around 0.40 for 250cm or greater, with the same error band for #confidence interval. The accuracy for weight is around the same as both linear #probability and Probit model.

```
#Sensitivity Specificity
inTraining <- createDataPartition(cardio, p = 0.75, list = FALSE)
training <- heart[inTraining,]
testing <- heart[-inTraining,]

train_control <- trainControl(method = "cv", number = 5)

probit_model <- train(as.factor(cardio)~., data = training, method = "glm", family = "binomial", trCont"
## Warning: glm.fit: fitted probabilities numerically 0 or 1 occurred
## Warning in predict.lm(object, newdata, se.fit, scale = 1, type = if (type == :
## prediction from a rank-deficient fit may be misleading
## Warning: glm.fit: fitted probabilities numerically 0 or 1 occurred</pre>
```

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```
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## prediction from a rank-deficient fit may be misleading
## Warning: glm.fit: fitted probabilities numerically 0 or 1 occurred
pred_cardio = predict(probit_model, newdata = testing)
## Warning in predict.lm(object, newdata, se.fit, scale = 1, type = if (type == :
## prediction from a rank-deficient fit may be misleading
confusionMatrix(data = pred cardio, reference=as.factor(testing$cardio))
## Confusion Matrix and Statistics
##
             Reference
## Prediction
                 0
            0 6788 2797
##
            1 1986 5929
##
##
##
                  Accuracy: 0.7267
##
                    95% CI: (0.72, 0.7333)
##
       No Information Rate: 0.5014
       P-Value [Acc > NIR] : < 2.2e-16
##
##
##
                     Kappa: 0.4532
##
##
   Mcnemar's Test P-Value : < 2.2e-16
##
##
               Sensitivity: 0.7736
##
               Specificity: 0.6795
##
            Pos Pred Value: 0.7082
##
            Neg Pred Value: 0.7491
                Prevalence: 0.5014
##
##
            Detection Rate: 0.3879
##
      Detection Prevalence: 0.5477
         Balanced Accuracy: 0.7266
##
##
##
          'Positive' Class : 0
##
```

#After testing all three models, we found that the probit model was the preferred #model as it was able to predict cardiovascular disease slightly better than the logit #model. When we ran the prediction model for all three models the probit models gave #more true zeros and ones. When we look at the confusion matrix we see that the accuracy #of the testing data was slightly lower than the baseline accuracy. The model is a #borderline good model as there were over 70,000 observations in the data set. With #such a large sample size we could say that the model was good, but it is lower than #the baseline accuracy. This would also make it a poor model as it did not beat the

#accuracy of the dominant class baseline accuracy. Our model is able to predict the one #class at 76% accuracy, which is higher than the baseline accuracy. For the zero class the #accuracy is lower than the baseline accuracy. This would mean that the model is better at #being able to predict whether somebody has cardiovascular disease compared to somebody #not having cardiovascular disease.

```
#Question 2 Part 4
mean(age)
## [1] 53.33949
mean(active)
## [1] 0.8037286
mean(alcohol)
## [1] 0.05377143
mean(cardio)
## [1] 0.4997
mean(cholesterol)
## [1] 1.366871
mean(diastolic)
## [1] 96.63041
mean(gender)
## [1] 0.6504286
mean(glucose)
## [1] 1.226457
mean(height)
## [1] 164.3592
mean(smoke)
## [1] 0.08812857
mean(systolic)
## [1] 128.8173
mean(weight)
## [1] 74.20569
#all variables mean
pred_cardio.mean <- data.frame(cardio=0.50, age=53.34, active=.80, alcohol=0.05,
                                cholesterol=1.37, diastolic=96.63, gender=0.65, glucose=1.23,
                                height=164.36, smoke=0.09, systolic=128.82, weight=74.21)
predict(probit.model, pred_cardio.mean, type="response", se.fit=TRUE)
## $fit
##
            1
```

0.04343607

```
##
## $se.fit
##
## 0.003931662
## $residual.scale
## [1] 1
#10% increase
pred_cardio.mean10 <- data.frame(cardio=0.50, age=58.67, active=.88, alcohol=0.055,</pre>
                                  cholesterol=1.51, diastolic=106.29, gender=0.72, glucose=1.35,
                                  height=180.80, smoke=0.10, systolic=141.70, weight=81.63)
predict(probit.model, pred_cardio.mean10, type="response", se.fit=TRUE)
## $fit
##
            1
## 0.08632775
##
## $se.fit
##
## 0.007118865
##
## $residual.scale
## [1] 1
#20% increase
pred_cardio.mean20 <- data.frame(cardio=0.50, age=64.01, active=.96, alcohol=0.06,
                                  cholesterol=1.61, diastolic=115.96, gender=0.78, glucose=1.48,
                                  height=197.23, smoke=0.11, systolic=154.58, weight=89.05)
predict(probit.model, pred_cardio.mean20, type="response", se.fit=TRUE)
## $fit
## 0.1518603
##
## $se.fit
##
## 0.01193075
## $residual.scale
## [1] 1
#30%increase
pred_cardio.mean30 <- data.frame(cardio=0.50, age=69.34, active=1, alcohol=0.07,
                                  cholesterol=1.78, diastolic=125.62, gender=0.85, glucose=1.60,
                                  height=213.67, smoke=0.12, systolic=167.47, weight=96.47)
predict(probit.model, pred_cardio.mean30, type="response", se.fit=TRUE)
## $fit
##
           1
## 0.2527153
##
## $se.fit
##
## 0.0186626
##
```

\$residual.scale

[1] 1

#We used the logit model as a preferred model and for the first prediction we looked at #the chance of getting cardiovascular disease given all the variables were set at the mean. #We found that the chance was four percent, so we decided to increase the means by ten #percent for each following prediction. We found that as we increased the means of all #the variables that the chance of getting cardiovascular disease. This makes sense as #things like blood pressure and weight increase are known to increase the chance of some #type of cardiovascular disease. However, we could have changed the values of different #predictors, by increasing some of them, while decreasing others, to see if it would #improve the accuracy of our prediction, and maybe the predictions may have potentially #decreased the chances of getting cardiovascular disease.