Car Price Prediction - Assignment Solution ¶

The solution is divided into the following sections:

- · Data understanding and exploration
- · Data cleaning
- Data preparation
- · Model building and evaluation

1. Data Understanding and Exploration

Let's first have a look at the dataset and understand the size, attribute names etc.

```
In [1]:
        import numpy as np
        import pandas as pd
        import matplotlib.pyplot as plt
        import seaborn as sns
        from sklearn import linear model
        from sklearn.linear model import LinearRegression
        from sklearn.linear model import Ridge
        from sklearn.linear_model import Lasso
        from sklearn.model selection import GridSearchCV
        import os
        # hide warnings
        import warnings
        warnings.filterwarnings('ignore')
```

```
In [2]: # reading the dataset
        cars = pd.read_csv("CarPrice_Assignment.csv")
```

In [3]: # summary of the dataset: 205 rows, 26 columns, no null values print(cars.info())

<class 'pandas.core.frame.DataFrame'> RangeIndex: 205 entries, 0 to 204 Data columns (total 26 columns): 205 non-null int64 car ID symboling 205 non-null int64 CarName 205 non-null object fueltype 205 non-null object aspiration 205 non-null object doornumber 205 non-null object 205 non-null object carbody 205 non-null object drivewheel enginelocation 205 non-null object wheelbase 205 non-null float64 carlength 205 non-null float64 205 non-null float64 carwidth 205 non-null float64 carheight curbweight 205 non-null int64 enginetype 205 non-null object cylindernumber 205 non-null object enginesize 205 non-null int64 fuelsystem 205 non-null object boreratio 205 non-null float64 stroke 205 non-null float64 compressionratio 205 non-null float64 horsepower 205 non-null int64 peakrpm 205 non-null int64 citympg 205 non-null int64 highwaympg 205 non-null int64 205 non-null float64 price dtypes: float64(8), int64(8), object(10) memory usage: 41.7+ KB None

```
In [4]: # head
        cars.head()
```

Out[4]:

	car_ID	symboling	CarName	fueltype	aspiration	doornumber	carbody	drivewhe
0	1	3	alfa-romero giulia	gas	std	two	convertible	rwd
1	2	3	alfa-romero stelvio	gas	std	two	convertible	rwd
2	3	1	alfa-romero Quadrifoglio	gas	std	two	hatchback	rwd
3	4	2	audi 100 ls	gas	std	four	sedan	fwd
4	5	2	audi 100ls	gas	std	four	sedan	4wd

5 rows × 26 columns

Understanding the Data Dictionary

The data dictionary contains the meaning of various attributes; some non-obvious ones are:

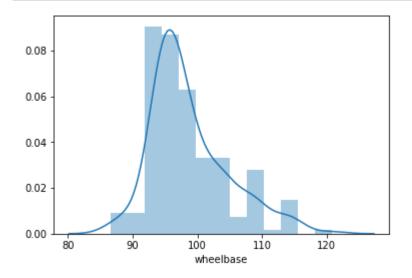
```
In [5]: # symboling: -2 (least risky) to +3 most risky
        # Most cars are 0,1,2
        cars['symboling'].astype('category').value_counts()
Out[5]:
         0
              67
         1
              54
         2
              32
         3
              27
         -1
               22
         -2
               3
        Name: symboling, dtype: int64
In [6]: # aspiration: An (internal combustion) engine property showing
         # whether the oxygen intake is through standard (atmospheric pressure)
         # or through turbocharging (pressurised oxygen intake)
         cars['aspiration'].astype('category').value_counts()
Out[6]: std
                  168
        turbo
                   37
        Name: aspiration, dtype: int64
```

In [7]: # drivewheel: frontwheel, rarewheel or four-wheel drive cars['drivewheel'].astype('category').value_counts()

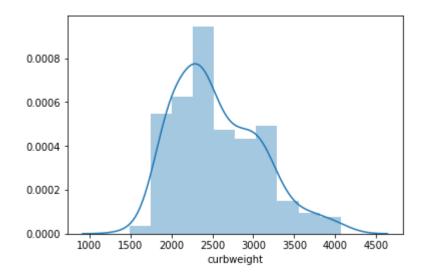
Out[7]: fwd 120 76 rwd 4wd

Name: drivewheel, dtype: int64

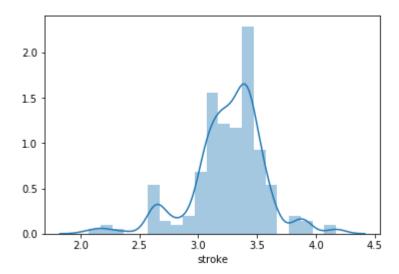
In [8]: # wheelbase: distance between centre of front and rarewheels sns.distplot(cars['wheelbase']) plt.show()



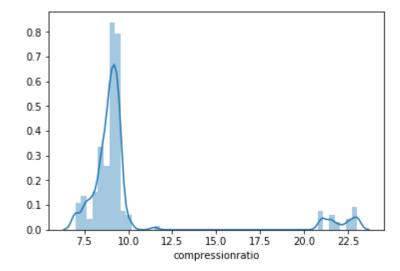
In [9]: # curbweight: weight of car without occupants or baggage sns.distplot(cars['curbweight']) plt.show()



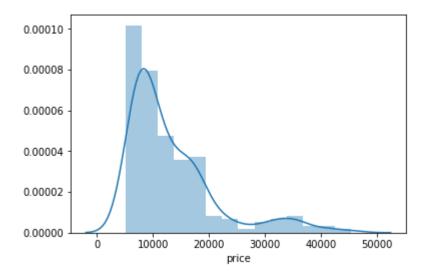
In [10]: # stroke: volume of the engine (the distance traveled by the # piston in each cycle) sns.distplot(cars['stroke']) plt.show()



In [11]: # compression ration: ratio of volume of compression chamber # at largest capacity to least capacity sns.distplot(cars['compressionratio']) plt.show()



```
In [12]:
         # target variable: price of car
         sns.distplot(cars['price'])
         plt.show()
```



Data Exploration

To perform linear regression, the (numeric) target variable should be linearly related to at least one another numeric variable. Let's see whether that's true in this case.

We'll first subset the list of all (independent) numeric variables, and then make a pairwise plot.

```
In [20]: # all numeric (float and int) variables in the dataset
         cars_numeric = cars.select_dtypes(include=['float64', 'int64'])
         cars_numeric.head()
```

Out[20]:

	car_ID	symboling	wheelbase	carlength	carwidth	carheight	curbweight	enginesize
0	1	3	88.6	168.8	64.1	48.8	2548	130
1	2	3	88.6	168.8	64.1	48.8	2548	130
2	3	1	94.5	171.2	65.5	52.4	2823	152
3	4	2	99.8	176.6	66.2	54.3	2337	109
4	5	2	99.4	176.6	66.4	54.3	2824	136

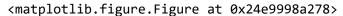
Here, although the variable symboling is numeric (int), we'd rather treat it as categorical since it has only 6 discrete values. Also, we do not want 'car ID'.

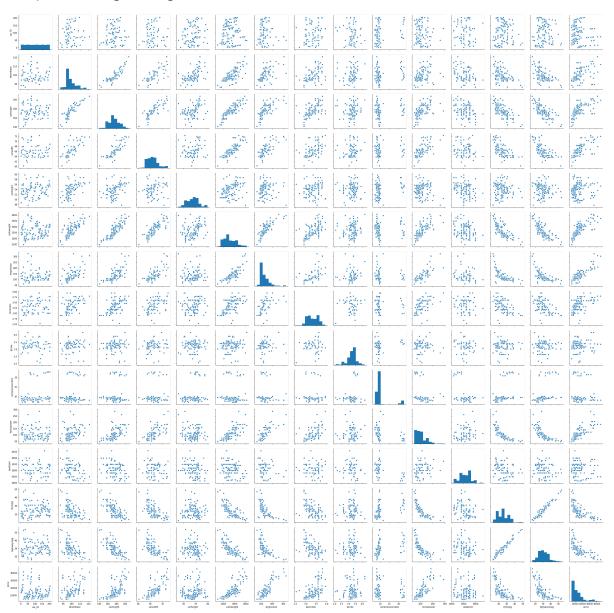
Out[21]:

	car_ID	wheelbase	carlength	carwidth	carheight	curbweight	enginesize	boreratio	;
0	1	88.6	168.8	64.1	48.8	2548	130	3.47	:
1	2	88.6	168.8	64.1	48.8	2548	130	3.47	:
2	3	94.5	171.2	65.5	52.4	2823	152	2.68	:
3	4	99.8	176.6	66.2	54.3	2337	109	3.19	:
4	5	99.4	176.6	66.4	54.3	2824	136	3.19	;

Let's now make a pairwise scatter plot and observe linear relationships.

In [22]: # paiwise scatter plot plt.figure(figsize=(20, 10)) sns.pairplot(cars numeric) plt.show()



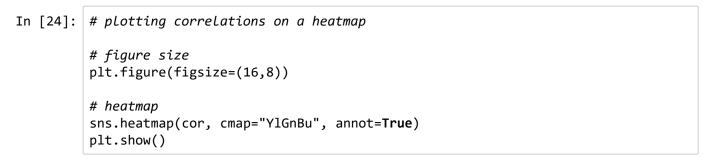


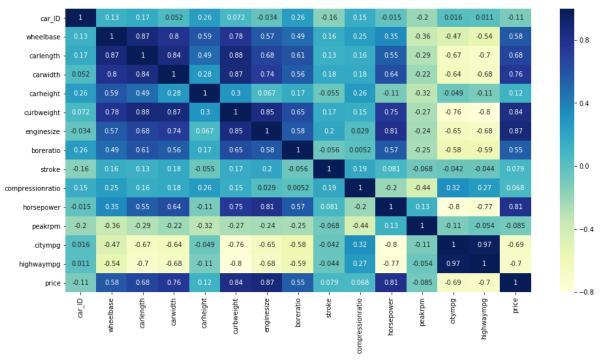
This is quite hard to read, and we can rather plot correlations between variables. Also, a heatmap is pretty useful to visualise multiple correlations in one plot.

In [23]: # correlation matrix cor = cars_numeric.corr() cor

Out[23]:

	car_ID	wheelbase	carlength	carwidth	carheight	curbweight	en
car_ID	1.000000	0.129729	0.170636	0.052387	0.255960	0.071962	-0.
wheelbase	0.129729	1.000000	0.874587	0.795144	0.589435	0.776386	0.5
carlength	0.170636	0.874587	1.000000	0.841118	0.491029	0.877728	0.6
carwidth	0.052387	0.795144	0.841118	1.000000	0.279210	0.867032	0.7
carheight	0.255960	0.589435	0.491029	0.279210	1.000000	0.295572	0.0
curbweight	0.071962	0.776386	0.877728	0.867032	0.295572	1.000000	3.0
enginesize	-0.033930	0.569329	0.683360	0.735433	0.067149	0.850594	1.0
boreratio	0.260064	0.488750	0.606454	0.559150	0.171071	0.648480	0.5
stroke	-0.160824	0.160959	0.129533	0.182942	-0.055307	0.168790	0.2
compressionratio	0.150276	0.249786	0.158414	0.181129	0.261214	0.151362	0.0
horsepower	-0.015006	0.353294	0.552623	0.640732	-0.108802	0.750739	3.0
peakrpm	-0.203789	-0.360469	-0.287242	-0.220012	-0.320411	-0.266243	-0.
citympg	0.015940	-0.470414	-0.670909	-0.642704	-0.048640	-0.757414	-0.
highwaympg	0.011255	-0.544082	-0.704662	-0.677218	-0.107358	-0.797465	-0.
price	-0.109093	0.577816	0.682920	0.759325	0.119336	0.835305	3.0





The heatmap shows some useful insights:

Correlation of price with independent variables:

- Price is highly (positively) correlated with wheelbase, carlength, carwidth, curbweight, enginesize, horsepower (notice how all of these variables represent the size/weight/engine power of the car)
- Price is negatively correlated to citympg and highwaympg (-0.70 approximately). This suggest that cars
 having high mileage may fall in the 'economy' cars category, and are priced lower (think Maruti
 Alto/Swift type of cars, which are designed to be affordable by the middle class, who value mileage
 more than horsepower/size of car etc.)

Correlation among independent variables:

Many independent variables are highly correlated (look at the top-left part of matrix): wheelbase,
 carlength, curbweight, enginesize etc. are all measures of 'size/weight', and are positively correlated

Thus, while building the model, we'll have to pay attention to multicollinearity (especially linear models, such as linear and logistic regression, suffer more from multicollinearity).

2. Data Cleaning

Let's now conduct some data cleaning steps.

We've seen that there are no missing values in the dataset. We've also seen that variables are in the correct format, except symboling, which should rather be a categorical variable (so that dummy variable are created for the categories).

Note that it can be used in the model as a numeric variable also.

memory usage: 41.7+ KB

```
In [25]: # variable formats
         cars.info()
         <class 'pandas.core.frame.DataFrame'>
         RangeIndex: 205 entries, 0 to 204
         Data columns (total 26 columns):
                              205 non-null int64
         car ID
         symboling
                              205 non-null int64
         CarName
                              205 non-null object
                              205 non-null object
         fueltype
         aspiration
doornumber
                              205 non-null object
                              205 non-null object
                              205 non-null object
         carbody
         carbody
drivewheel
enginelocation
                              205 non-null object
                              205 non-null object
                              205 non-null float64
         wheelbase
                              205 non-null float64
         carlength
         carwidth
                              205 non-null float64
         carheight
                              205 non-null float64
         curbweight
                              205 non-null int64
         enginetype
                              205 non-null object
         cylindernumber
                              205 non-null object
         enginesize
                              205 non-null int64
         fuelsystem
                              205 non-null object
         boreratio
                              205 non-null float64
         stroke
                              205 non-null float64
                              205 non-null float64
         compressionratio
                              205 non-null int64
         horsepower
         peakrpm
                              205 non-null int64
         citympg
                              205 non-null int64
         highwaympg
                              205 non-null int64
                              205 non-null float64
         dtypes: float64(8), int64(8), object(10)
```

```
In [26]: # converting symboling to categorical
         cars['symboling'] = cars['symboling'].astype('object')
         cars.info()
```

```
<class 'pandas.core.frame.DataFrame'>
RangeIndex: 205 entries, 0 to 204
Data columns (total 26 columns):
car_ID
                     205 non-null int64
symboling
                     205 non-null object
CarName
                     205 non-null object
fueltype
                     205 non-null object
aspiration
doornumber
                     205 non-null object
                     205 non-null object
carbody
drivewheel
                     205 non-null object
                     205 non-null object
enginelocation wheelbase
                     205 non-null object
                     205 non-null float64
carlength
                     205 non-null float64
carwidth
                     205 non-null float64
carheight
curbweight
enginetype
cylindernumber
                     205 non-null float64
                     205 non-null int64
                     205 non-null object
                     205 non-null object
enginesize
                     205 non-null int64
fuelsystem
                     205 non-null object
boreratio
                     205 non-null float64
stroke
                     205 non-null float64
compressionratio
                     205 non-null float64
                     205 non-null int64
horsepower
peakrpm
                     205 non-null int64
citympg
                     205 non-null int64
                     205 non-null int64
highwaympg
price
                     205 non-null float64
dtypes: float64(8), int64(7), object(11)
memory usage: 41.7+ KB
```

Netx, we need to extract the company name from the column CarName.

```
In [27]: # CarName: first few entries
          cars['CarName'][:30]
Out[27]:
                       alfa-romero giulia
                      alfa-romero stelvio
          2
                 alfa-romero Quadrifoglio
                               audi 100 ls
          3
          4
                                audi 100ls
          5
                                  audi fox
          6
                                audi 100ls
          7
                                 audi 5000
          8
                                 audi 4000
                      audi 5000s (diesel)
          9
                                  bmw 320i
          10
                                  bmw 320i
          11
          12
                                    bmw x1
                                    bmw x3
          13
                                    bmw z4
          14
          15
                                    bmw x4
          16
                                    bmw x5
          17
                                    bmw x3
          18
                          chevrolet impala
          19
                    chevrolet monte carlo
          20
                      chevrolet vega 2300
          21
                             dodge rampage
          22
                      dodge challenger se
          23
                                dodge d200
                        dodge monaco (sw)
          24
          25
                       dodge colt hardtop
                           dodge colt (sw)
          26
          27
                     dodge coronet custom
          28
                        dodge dart custom
          29
                dodge coronet custom (sw)
          Name: CarName, dtype: object
```

Notice that the carname is what occurs before a space, e.g. alfa-romero, audi, chevrolet, dodge, bmx etc.

Thus, we need to simply extract the string before a space. There are multiple ways to do that.

```
In [28]: # Extracting carname
         # Method 1: str.split() by space
         carnames = cars['CarName'].apply(lambda x: x.split(" ")[0])
         carnames[:30]
               alfa-romero
Out[28]: 0
               alfa-romero
         1
         2
               alfa-romero
```

```
3
              audi
4
              audi
5
              audi
              audi
6
              audi
7
8
              audi
9
              audi
               bmw
10
               bmw
11
12
               bmw
13
               bmw
14
               bmw
15
               bmw
16
               bmw
17
               bmw
18
         chevrolet
19
         chevrolet
20
         chevrolet
21
             dodge
             dodge
22
23
             dodge
             dodge
24
25
             dodge
             dodge
26
27
             dodge
28
             dodge
29
             dodge
```

Name: CarName, dtype: object

```
In [29]: # Method 2: Use regular expressions
         import re
         # regex: any alphanumeric sequence before a space, may contain a hyphen
         p = re.compile(r'\w+-?\w+')
         carnames = cars['CarName'].apply(lambda x: re.findall(p, x)[0])
         print(carnames)
```

0	alta-romero
1	alfa-romero
2	alfa-romero
3	audi
4	audi
5	audi
6	audi
7	audi
8	audi
9	audi
10	bmw
11	bmw
12	bmw
13	bmw
14	bmw
15	bmw
16	bmw
17	bmw
18	chevrolet
19	chevrolet
20	chevrolet
21	dodge
22	dodge
23	dodge
24	dodge
25	dodge
26	dodge
27	dodge
28	dodge
29	dodge
	•••
175	··· toyota
175 176	toyota
175 176 177	toyota toyota toyota
175 176 177 178	toyota
175 176 177	toyota toyota toyota
175 176 177 178 179 180	toyota toyota toyota toyota toyota toyota toyota
175 176 177 178 179	toyota toyota toyota toyota toyota toyota
175 176 177 178 179 180	toyota toyota toyota toyota toyota toyota toyota
175 176 177 178 179 180 181	toyota toyota toyota toyota toyota toyota toyota
175 176 177 178 179 180 181 182	toyota toyota toyota toyota toyota toyota toyota toyota vokswagen
175 176 177 178 179 180 181 182 183	toyota toyota toyota toyota toyota toyota toyota vokswagen volkswagen
175 176 177 178 179 180 181 182 183 184	toyota toyota toyota toyota toyota toyota toyota vokswagen volkswagen volkswagen
175 176 177 178 179 180 181 182 183 184 185	toyota toyota toyota toyota toyota toyota toyota vokswagen volkswagen volkswagen volkswagen volkswagen
175 176 177 178 179 180 181 182 183 184 185 186	toyota toyota toyota toyota toyota toyota toyota vokswagen volkswagen volkswagen volkswagen volkswagen volkswagen
175 176 177 178 179 180 181 182 183 184 185 186	toyota toyota toyota toyota toyota toyota toyota vokswagen volkswagen volkswagen volkswagen volkswagen volkswagen volkswagen volkswagen
175 176 177 178 179 180 181 182 183 184 185 186 187 188	toyota toyota toyota toyota toyota toyota toyota vokswagen volkswagen volkswagen volkswagen volkswagen volkswagen
175 176 177 178 179 180 181 182 183 184 185 186 187 188 189	toyota toyota toyota toyota toyota toyota toyota vokswagen volkswagen volkswagen volkswagen volkswagen volkswagen volkswagen volkswagen volkswagen volkswagen
175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190	toyota toyota toyota toyota toyota toyota toyota toyota vokswagen volkswagen
175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190	toyota toyota toyota toyota toyota toyota toyota toyota vokswagen volkswagen
175 176 177 178 179 180 181 182 183 184 185 186 187 188 190 191 192 193	toyota toyota toyota toyota toyota toyota toyota toyota vokswagen volkswagen
175 176 177 178 179 180 181 182 183 184 185 186 187 188 190 191 192 193 194	toyota toyota toyota toyota toyota toyota toyota toyota vokswagen volkswagen volvo
175 176 177 178 179 180 181 182 183 184 185 186 187 188 190 191 192 193 194 195	toyota toyota toyota toyota toyota toyota toyota toyota vokswagen volkswagen
175 176 177 178 179 180 181 182 183 184 185 186 187 188 190 191 192 193 194 195 196	toyota toyota toyota toyota toyota toyota toyota toyota vokswagen volkswagen
175 176 177 178 179 180 181 182 183 184 185 186 187 188 190 191 192 193 194 195 196 197	toyota toyota toyota toyota toyota toyota toyota toyota vokswagen volkswagen
175 176 177 178 179 180 181 182 183 184 185 186 187 188 190 191 192 193 194 195 196 197 198	toyota toyota toyota toyota toyota toyota toyota toyota vokswagen volkswagen volkswagen volkswagen volkswagen volkswagen volkswagen volkswagen volkswagen volkswagen volvo volvo volvo volvo volvo
175 176 177 178 179 180 181 182 183 184 185 186 187 188 190 191 192 193 194 195 196 197	toyota toyota toyota toyota toyota toyota toyota toyota vokswagen volkswagen

alfa-romero

```
201
             volvo
202
             volvo
203
             volvo
204
             volvo
Name: CarName, Length: 205, dtype: object
```

Let's create a new column to store the compnay name and check whether it looks okay.

```
In [30]: # New column car company
          cars['car company'] = cars['CarName'].apply(lambda x: re.findall(p, x)[0])
In [31]: # look at all values
          cars['car_company'].astype('category').value_counts()
Out[31]: toyota
                         31
                         17
         nissan
                         15
         mazda
         mitsubishi
                         13
                         13
         honda
         subaru
                         12
         volvo
                         11
         peugeot
                         11
                          9
         volkswagen
                          9
         dodge
         buick
                          8
                          8
         bmw
                          7
         plymouth
                          7
         audi
                          6
         saab
                          4
         porsche
         isuzu
                          4
                          3
         chevrolet
                          3
         alfa-romero
                          3
         jaguar
                          2
         VW
                          2
         maxda
                          2
         renault
         mercury
                          1
         porcshce
                          1
         toyouta
                          1
         vokswagen
         Nissan
                          1
         Name: car_company, dtype: int64
```

Notice that some car-company names are misspelled - vw and vokswagen should be volkswagen, porcshce should be porsche, toyouta should be toyota, Nissan should be nissan, maxda should be mazda etc.

This is a data quality issue, let's solve it.

```
In [32]: # replacing misspelled car company names
         # volkswagen
         cars.loc[(cars['car company'] == "vw") |
                  (cars['car_company'] == "vokswagen")
                  , 'car_company'] = 'volkswagen'
         # porsche
         cars.loc[cars['car_company'] == "porcshce", 'car_company'] = 'porsche'
         # toyota
         cars.loc[cars['car_company'] == "toyouta", 'car_company'] = 'toyota'
         # nissan
         cars.loc[cars['car_company'] == "Nissan", 'car_company'] = 'nissan'
         cars.loc[cars['car_company'] == "maxda", 'car_company'] = 'mazda'
```

```
In [33]: | cars['car_company'].astype('category').value_counts()
Out[33]: toyota
                         32
         nissan
                         18
                         17
         mazda
         honda
                         13
         mitsubishi
                        13
         subaru
                         12
         volkswagen
                        12
         volvo
                         11
                        11
         peugeot
                         9
         dodge
         buick
                         8
                          8
         bmw
                         7
         plymouth
                         7
         audi
         saab
                          5
         porsche
         isuzu
                          4
         alfa-romero
                         3
                         3
         chevrolet
                          3
         jaguar
                         2
         renault
         mercury
         Name: car_company, dtype: int64
```

The car company variable looks okay now. Let's now drop the car name variable.

```
In [34]: # drop carname variable
         cars = cars.drop('CarName', axis=1)
```

In [35]: cars.info()

```
<class 'pandas.core.frame.DataFrame'>
RangeIndex: 205 entries, 0 to 204
Data columns (total 26 columns):
car ID
                    205 non-null int64
symboling
                    205 non-null object
fueltype
                    205 non-null object
aspiration
                    205 non-null object
doornumber
                    205 non-null object
                    205 non-null object
carbody
                    205 non-null object
drivewheel
                    205 non-null object
enginelocation
wheelbase
                    205 non-null float64
carlength
                    205 non-null float64
carwidth
                    205 non-null float64
carheight
                    205 non-null float64
                    205 non-null int64
curbweight
enginetype
                    205 non-null object
                    205 non-null object
cylindernumber
enginesize
                    205 non-null int64
fuelsystem
                    205 non-null object
boreratio
                    205 non-null float64
stroke
                    205 non-null float64
compressionratio
                    205 non-null float64
horsepower
                    205 non-null int64
peakrpm
                    205 non-null int64
citympg
                    205 non-null int64
highwaympg
                    205 non-null int64
price
                    205 non-null float64
car_company
                    205 non-null object
dtypes: float64(8), int64(7), object(11)
```

memory usage: 41.7+ KB

In [36]: # outliers cars.describe()

Out[36]:

	car_ID	wheelbase	carlength	carwidth	carheight	curbweight	engine
count	205.000000	205.000000	205.000000	205.000000	205.000000	205.000000	205.000
mean	103.000000	98.756585	174.049268	65.907805	53.724878	2555.565854	126.907
std	59.322565	6.021776	12.337289	2.145204	2.443522	520.680204	41.6426
min	1.000000	86.600000	141.100000	60.300000	47.800000	1488.000000	61.0000
25%	52.000000	94.500000	166.300000	64.100000	52.000000	2145.000000	97.0000
50%	103.000000	97.000000	173.200000	65.500000	54.100000	2414.000000	120.000
75%	154.000000	102.400000	183.100000	66.900000	55.500000	2935.000000	141.000
max	205.000000	120.900000	208.100000	72.300000	59.800000	4066.000000	326.000

```
In [37]: cars.info()
```

```
<class 'pandas.core.frame.DataFrame'>
RangeIndex: 205 entries, 0 to 204
Data columns (total 26 columns):
car ID
                    205 non-null int64
symboling
                    205 non-null object
fueltype
                    205 non-null object
aspiration
                    205 non-null object
doornumber
                    205 non-null object
carbody
                    205 non-null object
drivewheel
                    205 non-null object
enginelocation
                    205 non-null object
                    205 non-null float64
wheelbase
                    205 non-null float64
carlength
carwidth
                    205 non-null float64
carheight
                    205 non-null float64
curbweight
                    205 non-null int64
enginetype
                    205 non-null object
cylindernumber
                    205 non-null object
enginesize
                    205 non-null int64
                    205 non-null object
fuelsystem
boreratio
                    205 non-null float64
stroke
                    205 non-null float64
                    205 non-null float64
compressionratio
                    205 non-null int64
horsepower
peakrpm
                    205 non-null int64
citympg
                    205 non-null int64
                    205 non-null int64
highwaympg
price
                    205 non-null float64
                    205 non-null object
car company
dtypes: float64(8), int64(7), object(11)
memory usage: 41.7+ KB
```

3. Data Preparation

Data Preparation

Let's now prepare the data and build the model.

```
In [45]:
         # split into X and y
         X = cars.loc[:, ['symboling', 'fueltype', 'aspiration', 'doornumber',
                 'carbody', 'drivewheel', 'enginelocation', 'wheelbase', 'carlength',
                 'carwidth', 'carheight', 'curbweight', 'enginetype', 'cylindernumber',
                 'enginesize', 'fuelsystem', 'boreratio', 'stroke', 'compressionratio',
                 'horsepower', 'peakrpm', 'citympg', 'highwaympg',
                 'car_company']]
         y = cars['price']
```

In [46]: # creating dummy variables for categorical variables # subset all categorical variables cars_categorical = X.select_dtypes(include=['object']) cars_categorical.head()

Out[46]:

	symboling	fueltype	aspiration	doornumber	carbody	drivewheel	enginelocation	€
0	3	gas	std	two	convertible	rwd	front	c
1	3	gas	std	two	convertible	rwd	front	c
2	1	gas	std	two	hatchback	rwd	front	c
3	2	gas	std	four	sedan	fwd	front	c
4	2	gas	std	four	sedan	4wd	front	c

In [47]: # convert into dummies cars_dummies = pd.get_dummies(cars_categorical, drop_first=True) cars_dummies.head()

Out[47]:

	symboling1	symboling_0	symboling_1	symboling_2	symboling_3	fueltype_gas	а
0	0	0	0	0	1	1	0
1	0	0	0	0	1	1	0
2	0	0	1	0	0	1	0
3	0	0	0	1	0	1	0
4	0	0	0	1	0	1	0

5 rows × 55 columns

In [48]: # drop categorical variables X = X.drop(list(cars_categorical.columns), axis=1)

In [49]: | # concat dummy variables with X X = pd.concat([X, cars_dummies], axis=1)

```
In [50]: # scaling the features
          from sklearn.preprocessing import scale
          # storing column names in cols, since column names are (annoyingly) lost after
          # scaling (the df is converted to a numpy array)
          cols = X.columns
          X = pd.DataFrame(scale(X))
          X.columns = cols
          X.columns
Out[50]: Index(['wheelbase', 'carlength', 'carwidth', 'carheight', 'curbweight', 'enginesize', 'boreratio', 'stroke', 'compressionratio', 'horsepower',
                 'peakrpm', 'citympg', 'highwaympg', 'symboling_-1', 'symboling_0',
                 'symboling_1', 'symboling_2', 'symboling_3', 'fueltype_gas',
                 'aspiration_turbo', 'doornumber_two', 'carbody_hardtop',
                 'carbody hatchback', 'carbody sedan', 'carbody wagon', 'drivewheel fw
          d',
                 'drivewheel rwd', 'enginelocation_rear', 'enginetype_dohcv',
                 'enginetype l', 'enginetype ohc', 'enginetype ohcf', 'enginetype ohc
                 'enginetype_rotor', 'cylindernumber_five', 'cylindernumber_four',
                 'cylindernumber_six', 'cylindernumber_three', 'cylindernumber_twelve',
                 'cylindernumber_two', 'fuelsystem_2bbl', 'fuelsystem_4bbl',
                 'fuelsystem_idi', 'fuelsystem_mfi', 'fuelsystem_mpfi',
                 'fuelsystem_spdi', 'fuelsystem_spfi', 'car_company_audi',
                 'car_company_bmw', 'car_company_buick', 'car_company_chevrolet',
                 'car_company_dodge', 'car_company_honda', 'car_company_isuzu',
                 'car_company_jaguar', 'car_company_mazda', 'car_company_mercury',
                 'car_company_mitsubishi', 'car_company_nissan', 'car_company_peugeot',
                 'car company plymouth', 'car company porsche', 'car company renault',
                 'car_company_saab', 'car_company_subaru', 'car_company_toyota',
                 'car_company_volkswagen', 'car_company_volvo'],
                dtype='object')
In [51]: # split into train and test
          from sklearn.cross validation import train test split
          X train, X test, y train, y test = train test split(X, y,
                                                                 train size=0.7,
                                                                 test_size = 0.3, random_st
          ate=100)
```

3. Model Building and Evaluation

Ridge and Lasso Regression

Let's now try predicting car prices, a dataset used in simple linear regression, to perform ridge and lasso regression.

Ridge Regression

```
In [52]:
                           # list of alphas to tune
                            params = \{'alpha': [0.0001, 0.001, 0.01, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.1, 0.05, 0.10, 0.05, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.10, 0.
                              0.2, 0.3, 0.4, 0.5, 0.6, 0.7, 0.8, 0.9, 1.0, 2.0, 3.0,
                              4.0, 5.0, 6.0, 7.0, 8.0, 9.0, 10.0, 20, 50, 100, 500, 1000 ]}
                            ridge = Ridge()
                            # cross validation
                            folds = 5
                            model cv = GridSearchCV(estimator = ridge,
                                                                                                  param_grid = params,
                                                                                                   scoring= 'neg_mean_absolute_error',
                                                                                                   cv = folds,
                                                                                                   return train score=True,
                                                                                                   verbose = 1)
                            model_cv.fit(X_train, y_train)
                            Fitting 5 folds for each of 28 candidates, totalling 140 fits
                            [Parallel(n jobs=1)]: Done 140 out of 140 | elapsed:
                                                                                                                                                                                               0.4s finished
Out[52]: GridSearchCV(cv=5, error_score='raise',
                                                estimator=Ridge(alpha=1.0, copy_X=True, fit_intercept=True, max_iter=N
                           one,
                                    normalize=False, random_state=None, solver='auto', tol=0.001),
                                                fit params=None, iid=True, n jobs=1,
                                                param grid={'alpha': [0.0001, 0.001, 0.01, 0.05, 0.1, 0.2, 0.3, 0.4,
                           0.5, 0.6, 0.7, 0.8, 0.9, 1.0, 2.0, 3.0, 4.0, 5.0, 6.0, 7.0, 8.0, 9.0, 10.0, 2
                           0, 50, 100, 500, 1000]},
                                                pre_dispatch='2*n_jobs', refit=True, return_train_score=True,
                                                scoring='neg mean absolute error', verbose=1)
```

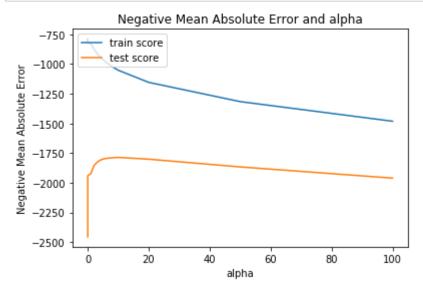
```
In [53]:
         cv results = pd.DataFrame(model cv.cv results )
          cv_results = cv_results[cv_results['param_alpha']<=200]</pre>
          cv_results.head()
```

Out[53]:

	mean_fit_time	mean_score_time	mean_test_score	mean_train_score	param_alpha
0	0.002807	0.000503	-2455.668504	-793.046184	0.0001
1	0.002207	0.000501	-2449.633986	-792.778547	0.001
2	0.003008	0.000702	-2404.435462	-790.876517	0.01
3	0.002013	0.000494	-2276.161219	-788.409662	0.05
4	0.001905	0.000401	-2190.708689	-787.299687	0.1

5 rows × 21 columns

```
In [54]:
         # plotting mean test and train scoes with alpha
         cv_results['param_alpha'] = cv_results['param_alpha'].astype('int32')
         # plotting
         plt.plot(cv_results['param_alpha'], cv_results['mean_train_score'])
         plt.plot(cv results['param alpha'], cv results['mean test score'])
         plt.xlabel('alpha')
         plt.ylabel('Negative Mean Absolute Error')
         plt.title("Negative Mean Absolute Error and alpha")
         plt.legend(['train score', 'test score'], loc='upper left')
         plt.show()
```



```
In [55]: alpha = 15
         ridge = Ridge(alpha=alpha)
         ridge.fit(X train, y train)
         ridge.coef
Out[55]: array([ 3.52557941e+02,
                                  9.46530017e+01, 1.34511343e+03, -3.35849314e+02,
                                  1.33122540e+03, -1.18579444e+01, -2.84669666e+02,
                 1.16515775e+03,
                 1.23313363e+01, 9.29481098e+02, 3.23313329e+02, -2.04711197e+01,
                -8.41293665e+01, 2.21783691e+02, 1.66376475e+02, 6.11555386e+01,
                -1.75468993e+01, 2.28698304e+02, -2.11820147e+02, 4.11053298e+02,
                 1.01320701e+02, 2.63588369e+01, -5.29501748e+02, -2.71545584e+02,
                -2.23762142e+02, -2.44396310e+02, 2.61656901e+02, 9.20191503e+02,
                -1.93176012e+01, -2.18315631e+02, 3.13602886e+02, 2.38744211e+01,
                 3.92105941e+00, 9.46640067e+01, -4.24237855e+02, -5.81409615e+02,
                -1.05817250e+02, 2.93070489e+02, -2.36048487e+02, 9.46640067e+01,
                 5.15255069e+01, -1.79077288e+02, 2.11820147e+02, -1.44440927e-28,
                -3.95308641e+00, -1.36403005e+02, -1.44440927e-28, 3.35662090e+02,
                 1.46679730e+03, 1.05750051e+03, -1.30931401e+02, -3.49739603e+02,
                -2.82007527e+02, -3.98771447e+01, 8.28333109e+02, -2.30841923e+02,
                -1.44440927e-28, -5.99411625e+02, -4.01098290e+02, -3.18047678e+02,
                -2.57350351e+02, 6.20255051e+02, -2.19413859e+02, 1.89789295e+02,
                -4.44216995e+02, -5.71822975e+02, -1.19897731e+02, -7.39919628e-01])
```

Lasso

```
In [56]: lasso = Lasso()
         # cross validation
         model cv = GridSearchCV(estimator = lasso,
                                  param grid = params,
                                  scoring= 'neg_mean_absolute_error',
                                  cv = folds,
                                  return train score=True,
                                  verbose = 1)
         model cv.fit(X train, y train)
         Fitting 5 folds for each of 28 candidates, totalling 140 fits
         [Parallel(n jobs=1)]: Done 140 out of 140 | elapsed:
                                                                  1.9s finished
Out[56]: GridSearchCV(cv=5, error score='raise',
                estimator=Lasso(alpha=1.0, copy_X=True, fit_intercept=True, max_iter=1
         000,
            normalize=False, positive=False, precompute=False, random state=None,
            selection='cyclic', tol=0.0001, warm_start=False),
                fit params=None, iid=True, n jobs=1,
                param grid={'alpha': [0.0001, 0.001, 0.01, 0.05, 0.1, 0.2, 0.3, 0.4,
         0.5, 0.6, 0.7, 0.8, 0.9, 1.0, 2.0, 3.0, 4.0, 5.0, 6.0, 7.0, 8.0, 9.0, 10.0, 2
         0, 50, 100, 500, 1000]},
                pre_dispatch='2*n_jobs', refit=True, return_train_score=True,
                scoring='neg_mean_absolute_error', verbose=1)
```

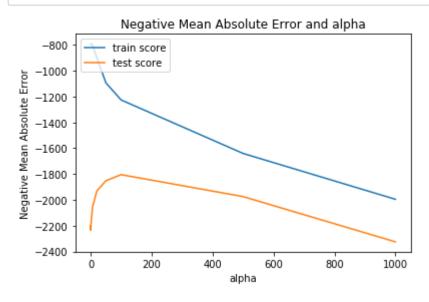
```
In [57]: cv results = pd.DataFrame(model cv.cv results )
         cv results.head()
```

Out[57]:

	mean_fit_time	mean_score_time	mean_test_score	mean_train_score	param_alpha
0	0.020253	0.000703	-2200.571734	-792.317797	0.0001
1	0.015039	0.000402	-2200.636114	-792.315096	0.001
2	0.017645	0.000603	-2201.283963	-792.291655	0.01
3	0.014738	0.000502	-2204.263131	-792.251073	0.05
4	0.016644	0.000502	-2208.163365	-792.236231	0.1

5 rows × 21 columns

```
In [58]:
         # plotting mean test and train scoes with alpha
         cv_results['param_alpha'] = cv_results['param_alpha'].astype('float32')
         # plotting
         plt.plot(cv_results['param_alpha'], cv_results['mean_train_score'])
         plt.plot(cv results['param alpha'], cv results['mean test score'])
         plt.xlabel('alpha')
         plt.ylabel('Negative Mean Absolute Error')
         plt.title("Negative Mean Absolute Error and alpha")
         plt.legend(['train score', 'test score'], loc='upper left')
         plt.show()
```



```
In [59]: alpha =100
          lasso = Lasso(alpha=alpha)
          lasso.fit(X_train, y_train)
Out[59]: Lasso(alpha=100, copy_X=True, fit_intercept=True, max_iter=1000,
            normalize=False, positive=False, precompute=False, random state=None,
            selection='cyclic', tol=0.0001, warm start=False)
In [60]: lasso.coef_
Out[60]: array([
                                              , 1747.1052243 ,
                                  -0.
                                                                -82.23183774,
                 1780.64173078,
                                788.28807799,
                                                  -0.
                              , 1017.48820119,
                                                  84.89633333,
                                                                  0.
                   -0.
                                                  -0.
                                                                  -0.
                                   0.
                                 246.519852 ,
                    0.
                                                -73.38572878,
                                                                120.56790634,
                                               -187.60748943,
                    0.
                                   0.
                                                                  0.
                  -96.25412649, -134.39227325,
                                                 294.27227486, 1218.02281069,
                                                                  -0.
                                                               -202.47407284,
                   -0.
                                                  -0.
                   -0.
                                 197.70712322,
                                                  -0.
                                                                  0.
                   -0.
                                  -0.
                                                  58.81424436,
                                                                 -0.
                                  -0.
                                                  -0.
                                                                186.35685239,
                    0.
                 1805.30123983, 1210.72936345,
                                                   0.
                                                                  -0.
                                  78.54297249,
                                                796.29612837,
                   -0.
                   -0.
                              , -397.80411254, -58.198149 , -377.78256238,
                   -0.
                                 592.06274204, -163.73847377,
                                                                 95.37139425,
                 -198.09298955, -233.82794826,
                                                                206.40038676])
                                                   0.
```