

Regression Analysis Report: Profit vs R&D, Administration, Marketing

Objective: Determine how R&D; Spend, Administration, and Marketing Spend affect Profit, and predict Profit for given inputs.

Dataset rows (after cleaning): 50 (dropped 4 rows due to non-numeric/missing values)

Regression Equation: Profit = 50122.1930 + 0.805715*R&D; + -0.026816*Administration + 0.027228*Marketing

Model Performance: R-squared = 0.9507, RMSE = 8855.3445

Top 5 rows of cleaned dataset:

index	R&D Spend	Administration	Marketing Spend	Profit
0.0	165349.2	136897.8	471784.1	192261.83
1.0	162597.7	151377.59	443898.53	191792.06
2.0	153441.51	101145.55	407934.54	191050.39
3.0	144372.41	118671.85	383199.62	182901.99
4.0	142107.34	91391.77	366168.42	166187.94

Regression Coefficients:

Intercept = 50122.1930

R&D; Spend: 0.805715

Administration: -0.026816

Marketing Spend: 0.027228

Model Metrics:

R-squared: 0.9507

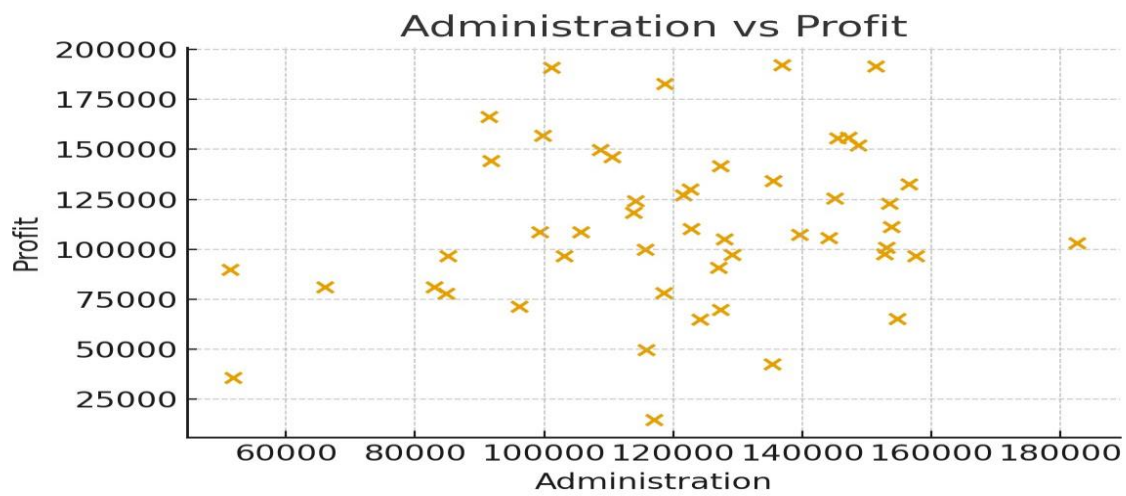
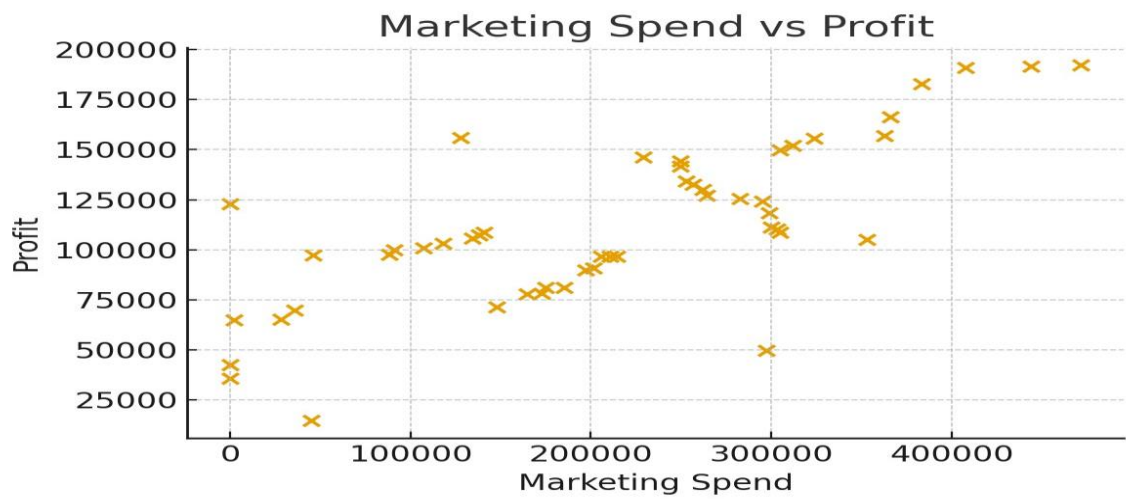
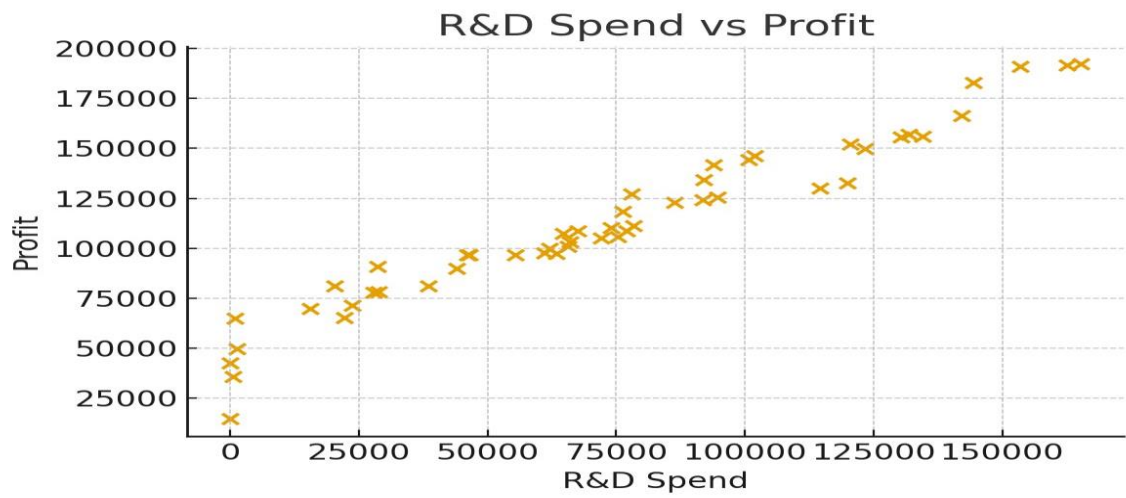
RMSE: 8855.3445

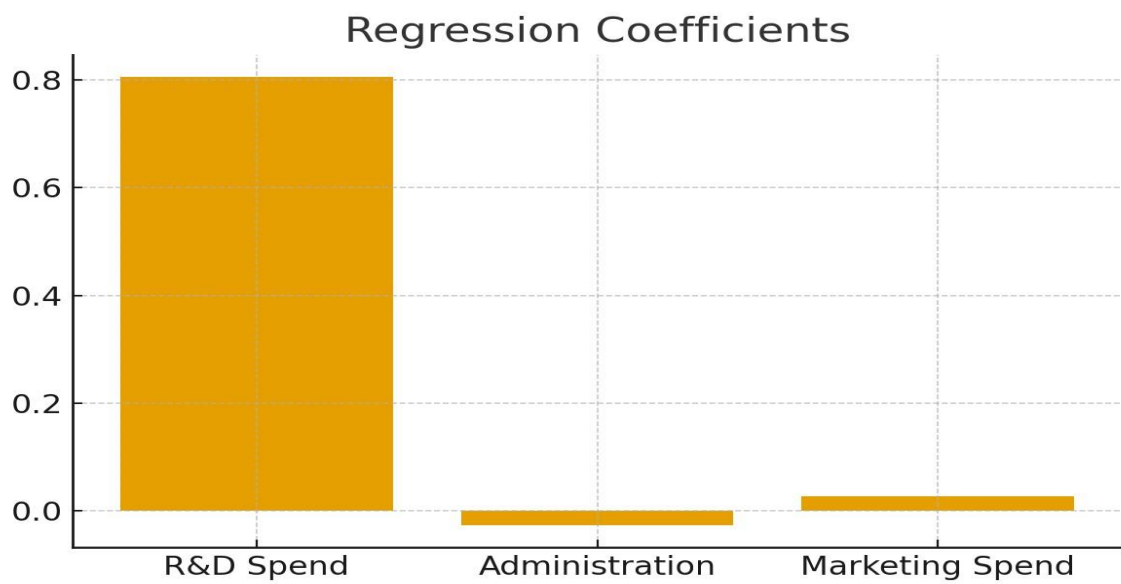
MSE: 78417126.0191

Predictions for provided inputs:

index	R&D Spend	Administration	Marketing Spend	Predicted Profit
0.0	21892.92	81910.77	164270.7	70037.9047654328
1.0	23940.93	96489.63	137001.1	70554.57255992683

Key Visualizations





Business Recommendations:

- R&D; Spend shows influence on Profit (based on coefficient magnitude) — consider investing more in high-ROI R&D; projects.
- Marketing Spend has moderate effect — optimize marketing for channels with measurable ROI.
- Administration shows low/insignificant effect — investigate and reduce unnecessary administrative costs.
- Re-run model periodically and consider adding features like 'Location', 'Product Type', or 'Sales Volume' for better predictions.