Home Work Assignment - 03

Critical Thinking Group 5

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Overview

The data set contains approximately 466 records and 14 variables. Each record has information on crime for various neighborhoods of a major city. Each record has a response variable indicating whether or not the crime rate is above the median crime rate (1) or not (0).

The objective is to build a binary logistic regression model on the training data set to predict whether the neighborhood will be at risk for high crime levels. In addition, we will provide classifications and probabilities for the evaluation data set using the binary logistic regression model.

1 Data Exploration Analysis

In section we will explore and gain some insights into the dataset by pursuing the below high level steps and inquiries:

- -Variable identification
- -Variable Relationships
- -Data summary analysis
- -Outliers and Missing Values Identification

1.1 Variable identification

First let's display and examine the data dictionary or the data columns as shown in table 1

Table 1: Variable Description

Variable	Description
zn	proportion of residential land zoned for large lots (over 25000 square feet) (predictor variable)
indus	proportion of non-retail business acres per suburb (predictor variable)
chas	a dummy var. for whether the suburb borders the Charles River (1) or not (0) (predictor variable)
nox	nitrogen oxides concentration (parts per 10 million) (predictor variable)
m rm	average number of rooms per dwelling (predictor variable)
age	proportion of owner-occupied units built prior to 1940 (predictor variable)
dis	weighted mean of distances to five Boston employment centers (predictor variable)
rad	index of accessibility to radial highways (predictor variable)
tax	full-value property-tax rate per \$10,000 (predictor variable)
ptratio	pupil-teacher ratio by town (predictor variable)
black	1000(Bk - 0.63)2 where Bk is the proportion of blacks by town (predictor variable)
lstat	lower status of the population (percent) (predictor variable)
medv	median value of owner-occupied homes in \$1000s (predictor variable)
target	whether the crime rate is above the median crime rate (1) or not (0) (response variable)

We notice that all variables are numeric except for two variables: the response variable "target" which is binary and the predictor variable "chas" which is a dummy binary variable indicating whether the suburb borders the Charles River (1) or not (0).

Based on the original dataset, our predictor input is made of 13 variables. And our response variable is one variable called target.

Following is the summary of the train data set variable 1-5

Table: Summary of Variables 1 to 5

zn	indus	chas	nox	rm
Min.: 0.00	Min.: 0.460	Min. :0.00000	Min. :0.3890	Min. :3.863
1st Qu.: 0.00	1st Qu.: 5.145	1st Qu.:0.00000	1st Qu.:0.4480	1st Qu.:5.887
Median: 0.00	Median: 9.690	Median: 0.00000	Median: 0.5380	Median $:6.210$
Mean: 11.58	Mean $:11.105$	Mean $:0.07082$	Mean $:0.5543$	Mean $:6.291$
3rd Qu.: 16.25	3rd Qu.:18.100	3rd Qu.:0.00000	3rd Qu.:0.6240	3rd Qu.:6.630
Max. $:100.00$	Max. $:27.740$	Max. $:1.00000$	Max. $:0.8710$	Max. $:8.780$

Following is the summary of the train data set variable 7-12

Table: Summary of Variables 6-11

age	dis	rad	tax	ptratio	black
Min.: 2.90	Min.: 1.130	Min.: 1.00	Min. :187.0	Min. :12.6	Min.: 0.32
1st Qu.: 43.88	1st Qu.: 2.101	1st Qu.: 4.00	1st Qu.:281.0	1st Qu.:16.9	1st Qu.:375.61
Median: 77.15	Median: 3.191	Median: 5.00	Median $:334.5$	Median $:18.9$	Median: 391.34
Mean: 68.37	Mean: 3.796	Mean: 9.53	Mean $:409.5$	Mean:18.4	Mean $:357.12$
3rd Qu.: 94.10	3rd Qu.: 5.215	3rd Qu.:24.00	3rd Qu.:666.0	3rd Qu.:20.2	3rd Qu.:396.24
Max. $:100.00$	Max. $:12.127$	Max. $:24.00$	Max. : 711.0	Max. $:22.0$	Max. $:396.90$

Following is the summary of the train data set variable 12-14

Table: Summary of Variables 12-14

lstat	medv	target
Min.: 1.730	Min.: 5.00	Min. :0.0000
1st Qu.: 7.043	1st Qu.:17.02	1st Qu.:0.0000
Median: 11.350	Median $:21.20$	Median $:0.0000$
Mean $:12.631$	Mean $:22.59$	Mean $:0.4914$
3rd Qu.:16.930	3rd Qu.:25.00	3rd Qu.:1.0000
Max. $:37.970$	Max. $:50.00$	Max. $:1.0000$

Following is the analysis on missing values in data set

Table 5: Missing Values

zn	(
indus	(
chas	(

 $\begin{array}{ccc} nox & 0 \\ rm & 0 \\ age & 0 \\ dis & 0 \\ rad & 0 \\ tax & 0 \\ ptratio & 0 \\ black & 0 \\ lstat & 0 \\ medv & 0 \\ target & 0 \\ \end{array}$

Missing values vs observed

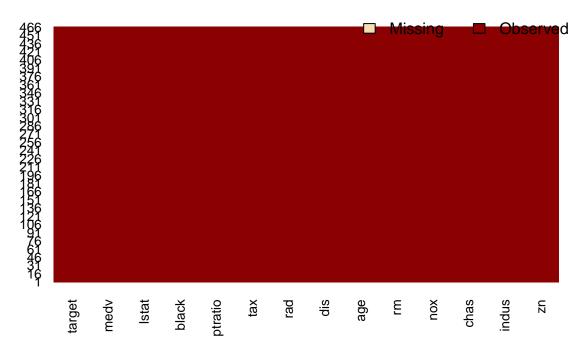


Table 6: Unique Values

zn	26
indus	73
chas	2
nox	79
rm	419
age	333
dis	380
rad	Ö
tax	63
ptratio	46
black	331

 $\begin{array}{cc} \text{lstat} & 424 \\ \text{medv} & 218 \\ \text{target} & 2 \end{array}$

Based on the analysis above it can be seen that there is no missing value in the data set. Also count of unque values for each variable is shown above

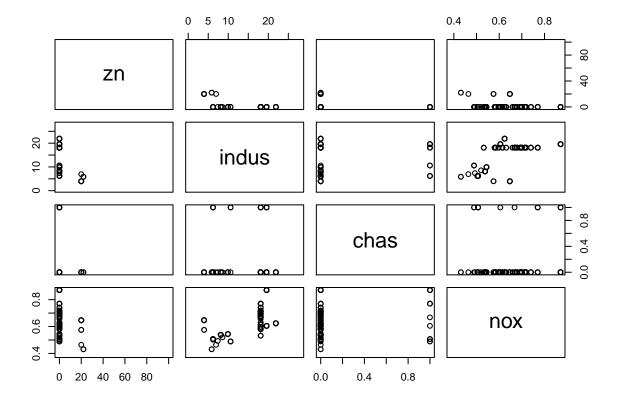
Break up of target variable count in train data set

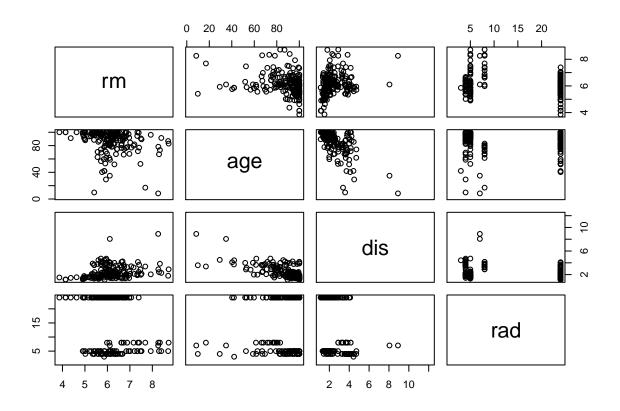
Var1 Freq ## 1 0 237 ## 2 1 229

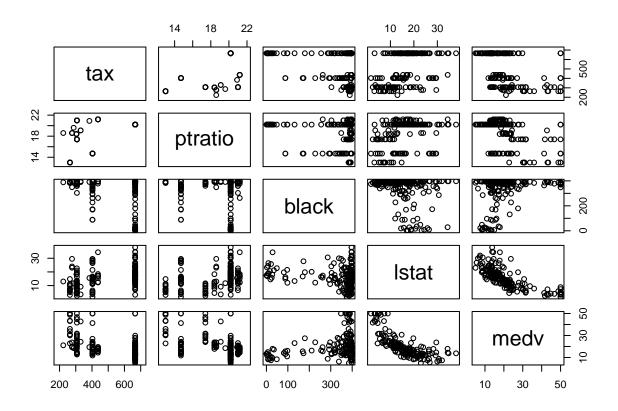
% split of target variable is given above table which shows data is almost evanly split between binary outcome 0 and 1

Train data set will be Split into train data(80% of train set) and validation set (20% of train set)to evalute the perforamnce of the models on the validation set. Train subset will be used to build the models.

Two data set has been created city_crime_train (80% of train data), and train_test (20% of train data). In next step below relationship between the target variable and dependent variables is shown in three charts.







1.2 Data Summary Analysis

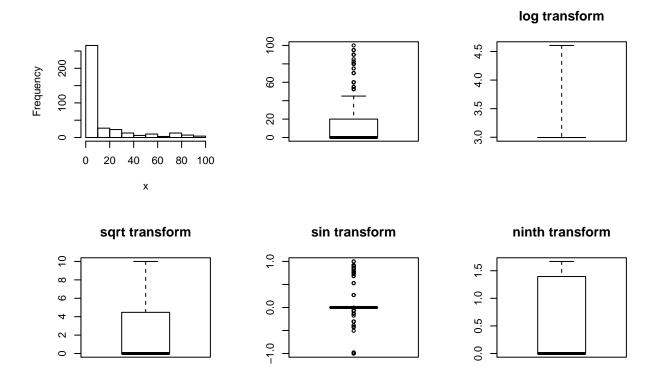
In this section, relationship between target variable with our dependent variables has been explored using correlation, central tendency, and dispersion As shown in table 2.

It is clear from the table that most of the variables are having storng correlation with the target variable.

1.3 Outliers and Missing Values Identification

In this section univariate analysis is being caarried out and boxplots diagrams are being used to determine the outliers in variables and decide on whether to act on the outliers. Along with boxplot, Histrogram, Sin, Log, Sqrt, nth transformation diagrams are used to evaluate best transformation to handle outliers.

Analysis of variable zn:proportion of residential land zoned for large lots



For zn, we can see that there are large number of values with 0. ninth transformation seem better for this variable..(1)

*

**Please note that we have created similar figures to figure 1 above for each remaining variable. However, we hid the remaining figures for ease of streamlining the report as they have similar shapes. However, we have drawn the below observations from each remaining figure.

For indus, we can see that there is a spike toward right side of he distribution. Looking at the sqrt transformation it appears that distribution is close to normal and having two peaks after transformation.

For nox, there is a long right tail.

For rm, there are some outliers as we can see from box plot. This variable will need some transformation to handle the outliers.

age of the building variable is skewed heavily towards right side. We will need some transformation for this variable and looks sin transformation is best option for this case

For this variable dis, there are some outliers which needs transformation to handle those outliers. log transformation looks best suited for this scenario.

For rad variable distribution is not uniform as seen from the chart and will need transformation.

For tax variable is not uniformly distributed but there is no outlier for this variable.

For pratio has right aligned peak but no outliers are there in data set.

The variable lstat has long right tail and lef skewed

2. Data Preparation

Now that we have completed the preliminary analysis, we will be cleaning and consolidating data into one dataset for use in analysis and modeling. We will be puring the below steps as guidlines:

- Outliers treatment
- Missing values treatment
- Data transformation

2.1 Outliers treatment and transformation

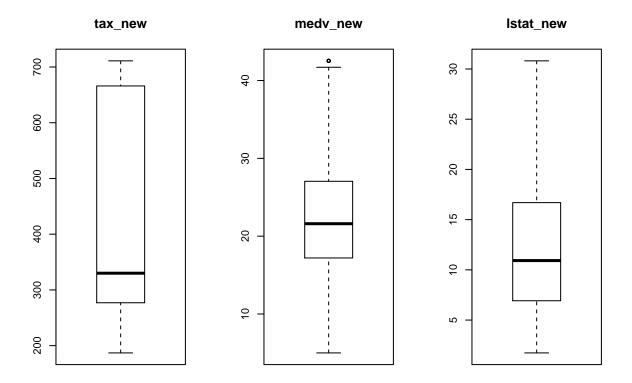
For outliers, we will create 2 sets of variables.

The first set uses the capping method. In this method, we will replace all outliers that lie outside the 1.5 times of IQR limits. We will cap it by replacing those observations less than the lower limit with the value of 5th %ile and those that lie above the upper limit with the value of 95th %ile.

Accordingly we create the following new variables while retaining the original variables.

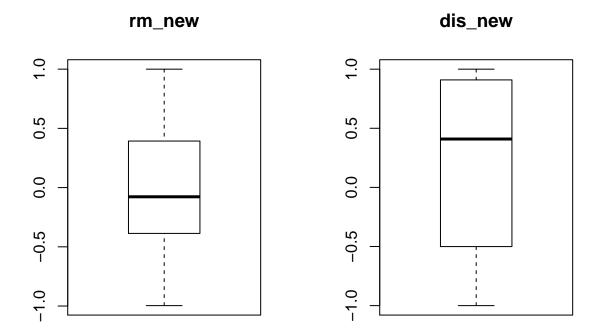
 $\label{eq:city_crime_train} \begin{array}{l} \text{city_crime_train} \\ \text{city_crime_train} \\ \end{array} \\ \text{stat}$

Below boxplots shows distribution of variables after outliers treatment.



In the second set, we will use the sin transformation and create the following variables: $city_crime_train_modrm_new\ city_crime_train_moddis_new$

Below is the boxplot after sin transformation of above variable.



Additional transformation was performed on following variables

1. using bucket for zn, with set of values 0 and 1 2. Converting chas to a factor variale of 0 and 1 3. Converting target to a factor variale of 0 and 1

Below we evaluate correlation of target with new variables

All new variables seem to have a positive correlation with target. However, some of them do not seem to have a strong correlation. Lets see how they perform while modeling.

3 Build Models

Following strategy has been adoped to build models for this scenario:

- (i) Building model 1 using given variables by using logit function.
- (ii) Using step function to enhance model 1 and create model 2.
- (iii) Building model 3 using tranformed variables also by using logit function.
- (iv) Using step function to enhance model 3 and create model 4.
- (v) Using Linear discrement analysis model create model 5 with given variables.
- (vi) Using Linear discrement analysis model create model 6 with transformed variables.

Below is a summary table showing models and their respective variables.

3.1.1 Model One by using all given variables

In this model, we will be using all the given variables in train data set. We will create model using logic function and we will highlight the summary of the model.

```
##
## Call:
  glm(formula = target ~ ., family = "binomial", data = city_crime_train)
## Deviance Residuals:
##
                      Median
       Min
                 1Q
                                    3Q
                                            Max
##
  -1.8791
           -0.1299
                    -0.0025
                               0.0011
                                         3.4785
##
## Coefficients:
                 Estimate Std. Error z value Pr(>|z|)
##
##
  (Intercept) -41.462153
                            8.250799
                                      -5.025 5.03e-07 ***
                -0.060580
                                      -1.547 0.121799
## zn
                            0.039153
## indus
                -0.063885
                            0.059335
                                       -1.077 0.281618
                 0.789391
                            0.865818
                                        0.912 0.361912
## chas1
                53.413503
                           10.013666
                                        5.334 9.60e-08 ***
## nox
                -0.647942
                            0.904430
                                       -0.716 0.473739
## rm
## age
                 0.028835
                            0.015680
                                        1.839 0.065915
## dis
                 0.800917
                            0.268877
                                        2.979 0.002894 **
                                        3.689 0.000225 ***
## rad
                 0.721751
                            0.195662
                -0.007065
                            0.003490
                                       -2.024 0.042948 *
## tax
## ptratio
                 0.440768
                            0.159366
                                        2.766 0.005679 **
                -0.009591
                            0.006025
## black
                                      -1.592 0.111412
## 1stat
                 0.096941
                            0.062429
                                        1.553 0.120469
## medv
                 0.236940
                            0.091276
                                        2.596 0.009436 **
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
```

```
##
## (Dispersion parameter for binomial family taken to be 1)
##
## Null deviance: 514.63 on 371 degrees of freedom
## Residual deviance: 140.71 on 358 degrees of freedom
## AIC: 168.71
##
## Number of Fisher Scoring iterations: 9
```

- (i) Based on the outcome it can be seen that indus, chas, rm, age, black and lstat are not statistically significant.
- (ii) As for the statistically significant variables, nox has the lowest p-value suggesting a strong association of the nox of the target varible. other important varibles are dis,rad,tax,ptratio,medv. AIC value for the model1 =168.71.
- (iii) The logistic regression coefficients give the change in the log odds of the outcome for a one unit increase in the predictor variables.
 - a. For every one unit change in nox, the log odds of crime rate above median value incremases by 53.41.
 - b. For a one unit increase in dis, the log odds of crime rate above median value incremases by 0.80.
 - c. For a one unit increase in rad, the log odds of crime rate above median value incremases by 0.72.
 - d. For a one unit increase in tax, the log odds of crime rate above median value incremases by -0.007.
 - e. For a one unit increase in ptratio, the log odds of crime rate above median value incremases by 0.44.
 - f. For a one unit increase in medy, the log odds of crime rate above median value incremases by 0.23.

3.1.2 Model two with step function (backward process) with all given variables

```
##
## Call:
  glm(formula = target ~ zn + nox + age + dis + rad + tax + ptratio +
##
       black + lstat + medv, family = "binomial", data = city_crime_train)
##
## Deviance Residuals:
##
                      Median
                                    30
                 1Q
                                            Max
                                0.0013
                     -0.0024
                                         3.3934
##
  -1.9258
           -0.1459
##
## Coefficients:
                 Estimate Std. Error z value Pr(>|z|)
                                      -5.098 3.43e-07 ***
## (Intercept) -39.282116
                            7.705519
                -0.064656
                                       -1.728 0.083964 .
## zn
                             0.037414
                46.617168
                             8.074920
                                        5.773 7.78e-09 ***
## nox
                                        1.866 0.062065 .
## age
                 0.025273
                             0.013545
                                        2.845 0.004447 **
## dis
                 0.710480
                             0.249767
```

```
## rad
                 0.775881
                            0.182072
                                       4.261 2.03e-05 ***
                -0.009144
                                     -2.967 0.003011 **
## tax
                            0.003082
                                       2.660 0.007817 **
## ptratio
                 0.359297
                            0.135081
                            0.005737
                -0.008384
                                      -1.462 0.143871
## black
## 1stat
                 0.110624
                            0.055650
                                       1.988 0.046829 *
                 0.181460
                            0.053572
                                       3.387 0.000706 ***
## medv
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
##
##
  (Dispersion parameter for binomial family taken to be 1)
##
##
       Null deviance: 514.63
                             on 371 degrees of freedom
## Residual deviance: 142.85
                             on 361 degrees of freedom
## AIC: 164.85
##
## Number of Fisher Scoring iterations: 9
```

- (i)It can be seen that zn,age,black are not statistically significant.
- (ii) As for the statistically significant variables, nox has the lowest p-value suggesting a strong association of the nox of the target variable. other important variables are dis,rad,tax,ptratio,medv,lstat. AIC value for the model 1 = 164.85
- (iii) The logistic regression coefficients give the change in the log odds of the outcome for a one unit increase in the predictor variables.
 - a. For every one unit change in nox, the log odds of crime rate above median value incremases by 46.61.
 - b. For a one unit increase in dis, the log odds of crime rate above median value incremases by 0.71.
 - c. For a one unit increase in rad, the log odds of crime rate above median value incremases by 0.77.
 - d. For a one unit increase in tax, the log odds of crime rate above median value incremases by -0.009.
 - e. For a one unit increase in ptratio, the log odds of crime rate above median value incremases by 0.35.
 - f. For a one unit increase in medv, the log odds of crime rate above median value incremases by 0.18
- (iv) there were 9 ierations in backward steps before final model was selected

3.1.3 Model three with transformed variables

In this model, transformed variables are being used with the logic function.

```
##
## Call:
## glm(formula = target ~ . - zn - tax - lstat - medv, family = "binomial",
## data = city_crime_train_mod)
##
```

```
## Deviance Residuals:
##
       Min
                 10
                      Median
                                   30
                                           Max
## -1.7883 -0.1410 -0.0026
                               0.0005
                                        3.3645
##
## Coefficients:
                 Estimate Std. Error z value Pr(>|z|)
##
## (Intercept) -68.319369 16.418997 -4.161 3.17e-05 ***
## indus
                -0.001867
                            0.067017
                                      -0.028 0.977778
## chas1
                 0.366993
                            0.849076
                                       0.432 0.665577
## nox
                56.080643
                           10.147964
                                       5.526 3.27e-08 ***
## rm
                 2.995884
                            2.385419
                                       1.256 0.209147
## age
                 0.043435
                            0.018166
                                       2.391 0.016805 *
## dis
                 0.472036
                            0.331312
                                       1.425 0.154231
## rad
                 0.838409
                            0.237364
                                       3.532 0.000412 ***
                            0.176293
                                       2.656 0.007896 **
## ptratio
                 0.468316
## black
                -0.010739
                            0.005922
                                      -1.813 0.069782 .
## tax_new
                -0.005285
                            0.003663
                                     -1.443 0.149151
## medv new
                 0.283102
                            0.106228
                                       2.665 0.007698 **
## lstat_new
                 0.050027
                            0.074958
                                       0.667 0.504515
## rm new
                -5.052053
                            2.830695
                                      -1.785 0.074304 .
## dis_new
                -1.886385
                            0.552223
                                      -3.416 0.000636 ***
                -0.363834
                            1.036508
                                     -0.351 0.725574
## zn new1
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## (Dispersion parameter for binomial family taken to be 1)
##
       Null deviance: 514.63 on 371 degrees of freedom
## Residual deviance: 124.11 on 356 degrees of freedom
## AIC: 156.11
## Number of Fisher Scoring iterations: 9
```

- (i) From this model it can be seen following variables are relevant for this model-nox, dis, rad, pt ratio , tax new, medv new, lstat_new
- (ii) number of integration is 9 and AIC value =169.71.

Notes: Similar explanation of model coefficient will be applicable here as described for model 1 & 2 and is not repreated here.

3.1.4 Model with transformed variable and with with backward step function

In this model, transformed variables are being used with the step function and backward process.

```
##
## Call:
## glm(formula = target ~ nox + age + dis + rad + ptratio + black +
## tax_new + medv_new + rm_new + dis_new, family = "binomial",
## data = city_crime_train_mod)
##
```

```
## Deviance Residuals:
##
       Min
                 10
                      Median
                                   30
                                           Max
## -2.0158 -0.1472 -0.0031
                               0.0005
                                        3.1030
##
## Coefficients:
                 Estimate Std. Error z value Pr(>|z|)
##
## (Intercept) -52.779764
                            9.739144
                                      -5.419 5.98e-08 ***
## nox
                56.509319
                            9.188179
                                       6.150 7.74e-10 ***
## age
                 0.051467
                            0.016215
                                       3.174 0.001503 **
## dis
                 0.564992
                            0.255943
                                       2.207 0.027280 *
## rad
                 0.849127
                            0.212643
                                       3.993 6.52e-05 ***
                                       3.347 0.000818 ***
## ptratio
                 0.533319
                            0.159365
## black
                -0.010960
                            0.005943
                                      -1.844 0.065147 .
                                      -1.442 0.149355
## tax_new
                -0.004534
                            0.003144
                            0.095427
                                       3.592 0.000328 ***
## medv_new
                 0.342778
## rm_new
                -2.358513
                            1.028472
                                      -2.293 0.021835 *
                -1.865533
                            0.488896
                                      -3.816 0.000136 ***
## dis_new
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
##
  (Dispersion parameter for binomial family taken to be 1)
##
##
       Null deviance: 514.63 on 371 degrees of freedom
## Residual deviance: 126.80 on 361 degrees of freedom
## AIC: 148.8
## Number of Fisher Scoring iterations: 9
```

- (i) From this model it can be seen following variables are relevant for this model-nox, dis, rad, pt ratio , tax_new , $medv_new$, $lstat_new$
- (ii) number of integration is 9 and AIC value =165.8.

3.1,5 Model three with Linear discrement analysis

In this model Linear discrement analysis function has been used with given set of variables in training data.

```
## Call:
## lda(target ~ ., data = city_crime_train)
##
## Prior probabilities of groups:
##
         0
## 0.5268817 0.4731183
##
## Group means:
##
                indus
                          chas1
                                    nox
                                                    age
                                                            dis
## 1 1.613636 15.291193 0.07954545 0.6428523 6.176631 86.38864 2.459868
##
                                                medv
                 tax ptratio
                               black
                                        lstat
         rad
## 0 4.107143 308.4949 17.76990 388.6647
                                     9.199235 25.18724
## 1 14.880682 509.6932 18.74773 327.2894 15.959148 20.24148
##
```

```
## Coefficients of linear discriminants:
##
                     I.D1
## zn
           -0.0047914631
            0.0281044279
## indus
## chas1
           -0.0556293189
            7.9109306913
## nox
            0.1658180998
## rm
## age
            0.0131973114
## dis
            0.0840623852
## rad
            0.1027832012
## tax
           -0.0019152605
## ptratio 0.0090391049
## black
           -0.0009160458
## lstat
            0.0248449648
## medv
            0.0425514709
```

3.1.6 Model with Linear discrement analysis with transformed data

In this model Linear discrement analysis function has been used with transformed set of variables in traning data.

```
## Call:
## lda(target ~ . - zn - rm - dis - tax - lstat - medv, data = city_crime_train_mod)
##
## Prior probabilities of groups:
           0
## 0.5268817 0.4731183
##
## Group means:
         indus
                    chas1
                                nox
                                         age
                                                   rad ptratio
## 0 6.956327 0.05102041 0.4689730 50.37398 4.107143 17.76990 388.6647
## 1 15.291193 0.07954545 0.6428523 86.38864 14.880682 18.74773 327.2894
      tax_new medv_new lstat_new
##
                                      rm new
                                                dis new
## 0 308.4949 25.04528 9.199235 0.08333182 -0.0504096 0.46938776
## 1 509.6932 19.86151 15.724247 -0.11166891 0.5106930 0.07954545
##
## Coefficients of linear discriminants:
##
                      LD1
              0.022452946
## indus
## chas1
             -0.186416323
## nox
              7.970446650
              0.015169354
## age
## rad
              0.100159450
             -0.014404341
## ptratio
## black
             -0.001159202
## tax_new
             -0.001196341
## medv new
              0.047596449
## lstat_new 0.016840318
## rm_new
             -0.008946209
## dis_new
             -0.340985994
```

```
## zn_new1 -0.001832533
```

4 Model Selection

In section we will further examine all six models. We will apply a model selection strategy defined below to compare the models.

4.1 Model selection strategy:

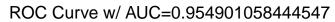
Following model selection strategy has been used for this assignment:

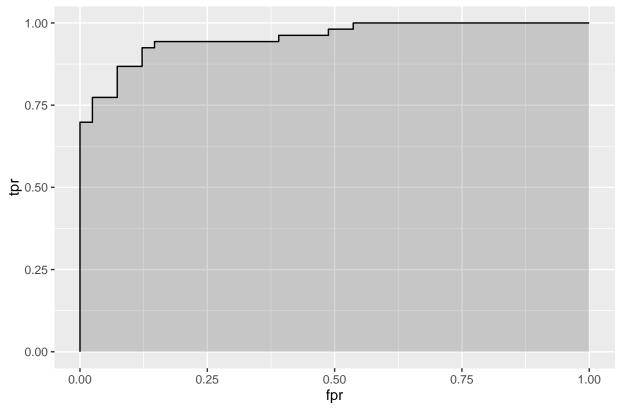
- (i) Compare accuracy of the models & confusion matrix
- (ii) Compare Precision, Sensitivity, Specificity, F1 score
- (iii) Compare AUC curve for the models

Following function Eval() will be used to calculate various metrics related to the model like Accuracy, Sensitivity, Precision , Specificity and F1 score

4.1.1 Model1 Evaluation

```
## Accuracy Error_Rate Precision sensitivity specificity F1_Score ## 1 0.9042553 0.09574468 0.9245283 0.9074074 0.9 0.9283174
```

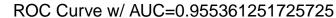


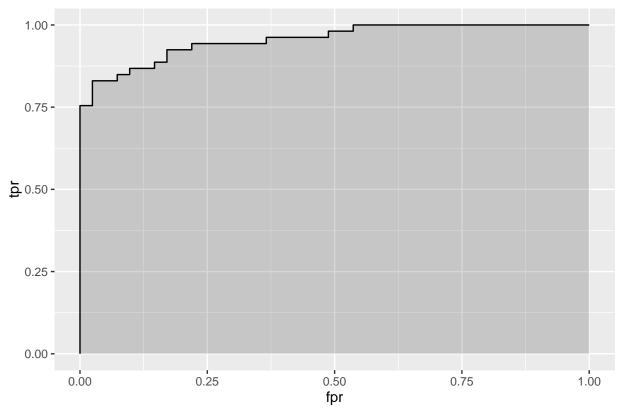


Looking at the key metrics this can be concluded this model has high accuracy 0.9042553 and low error rate 0.09574468. AUC curve for this model is 0.9549 which is very good.

4.1.2 Model2 Evaluation

```
## Accuracy Error_Rate Precision sensitivity specificity F1_Score ## 1 0.8723404 0.1276596 0.9056604 0.8727273 0.8717949 0.9061444
```

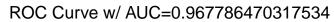


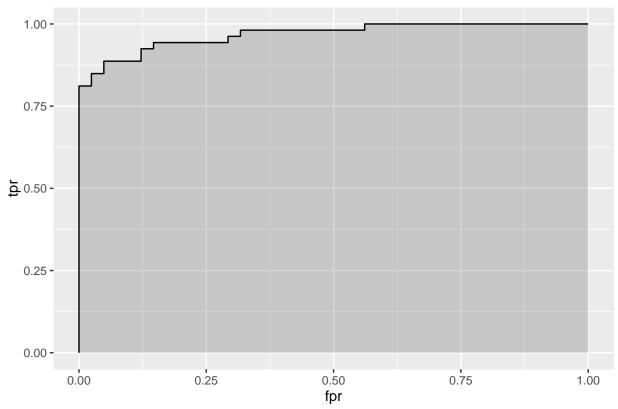


Looking at the key metrics this can be concluded this model has high accuracy 0.8723404 and low error rate 0.12765957. AUC curve for this model is 0.9553 which is very good.

4.1.3 Model3 Evaluation

Accuracy Error_Rate Precision sensitivity specificity F1_Score
1 0.893617 0.106383 0.9245283 0.8909091 0.8974359 0.9211541

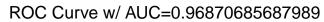


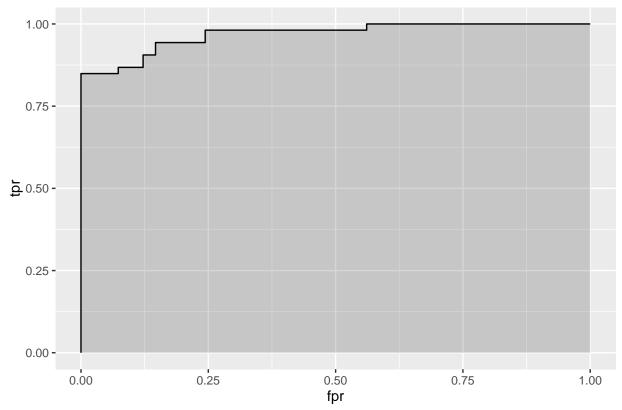


Looking at the key metrics this can be concluded this model has high accuracy 0.8936170 and low error rate 0.10638298. AUC curve for this model is 0.9558 which is very good.

4.1.4 Model4 Evaluation

```
## Accuracy Error_Rate Precision sensitivity specificity F1_Score ## 1 0.8829787 0.1170213 0.9056604 0.8888889 0.875 0.9127916
```

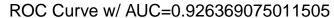


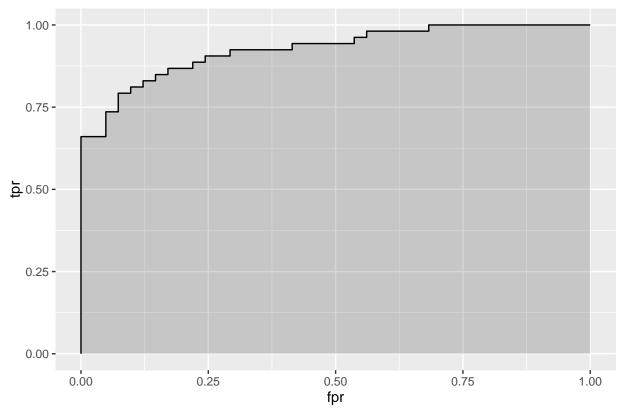


Looking at the key metrics this can be concluded this model has high accuracy 0.8829787 and low error rate 0.11702128. AUC curve for this model is 0.9549 which is very good.

4.1.5 Model5 Evaluation

```
## Accuracy Error_Rate Precision sensitivity specificity F1_Score ## 1 0.8297872 0.1702128 0.7358491 0.9512195 0.7358491 0.8297872
```



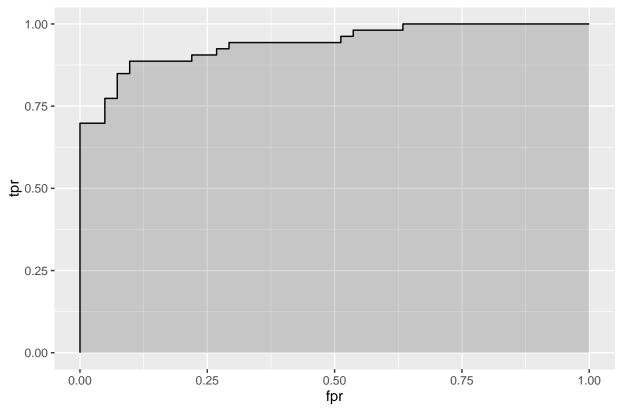


Looking at the key metrics this can be concluded this model has relatively low accuracy 0.8297872 and higher error rate 0.1702127 compared to other models. AUC curve for this model is 0.9263.

4.1.6 Model6 Evaluation

```
## Accuracy Error_Rate Precision sensitivity specificity F1_Score ## 1 0.8297872 0.1702128 0.7358491 0.9512195 0.7358491 0.8297872
```





Looking at the key metrics this can be concluded this model has relatively low accuracy 0.8297872 and higher error rate 0.17021277 compared to other models. AUC curve for this model is 0.930.

4.2 Final Model Seletion

Following is the comparison of various metrics for above 6 models

```
##
      Accuracy Error_Rate Precision sensitivity specificity F1_Score
## 1 0.9042553 0.09574468 0.9245283
                                      0.9074074
                                                   0.9000000 0.9283174
## 2 0.8723404 0.12765957 0.9056604
                                      0.8727273
                                                   0.8717949 0.9061444
## 3 0.8936170 0.10638298 0.9245283
                                      0.8909091
                                                   0.8974359 0.9211541
## 4 0.8829787 0.11702128 0.9056604
                                      0.8888889
                                                   0.8750000 0.9127916
## 5 0.8297872 0.17021277 0.7358491
                                      0.9512195
                                                   0.7358491 0.8297872
## 6 0.8297872 0.17021277 0.7358491
                                      0.9512195
                                                   0.7358491 0.8297872
```

From the comparison table it can be concluded model 1 is the best model with very high accuracy rate of 90.42%. Further analysis has been carried out on this model below-

(i) Estimate confidence interval for coefficient (ii) wald test to understand effect of variable in the model (iii) odds ratios and 95% CI

```
## 2.5 % 97.5 %

## (Intercept) -57.633422451 -2.529088e+01

## zn -0.137318897 1.615847e-02

## indus -0.180179675 5.240896e-02
```

```
## chas1
                -0.907581097 2.486362e+00
## nox
                33.787078022 7.303993e+01
## rm
                -2.420592622
                              1.124709e+00
                              5.956762e-02
## age
                -0.001896677
## dis
                 0.273928524
                              1.327906e+00
## rad
                 0.338261333 1.105240e+00
                -0.013905482 -2.242516e-04
## tax
                 0.128416628 7.531198e-01
## ptratio
## black
                -0.021400089
                              2.217745e-03
## lstat
                -0.025418331
                              2.193000e-01
## medv
                 0.058041222
                             4.158385e-01
## Wald test:
##
  -----
##
## Chi-squared test:
## X2 = 13.6, df = 1, P(> X2) = 0.00023
##
                                   2.5 %
                                                97.5 %
                         OR
## (Intercept) 9.844998e-19 9.335179e-26 1.038266e-11
               9.412183e-01 8.716922e-01 1.016290e+00
## zn
## indus
               9.381125e-01 8.351201e-01 1.053807e+00
               2.202054e+00 4.034991e-01 1.201748e+01
## chas1
               1.574670e+23 4.715650e+14 5.258208e+31
## nox
               5.231212e-01 8.886894e-02 3.079319e+00
## rm
               1.029255e+00 9.981051e-01 1.061378e+00
## age
               2.227583e+00 1.315121e+00 3.773133e+00
## dis
## rad
               2.058033e+00 1.402507e+00 3.019950e+00
## tax
               9.929600e-01 9.861908e-01 9.997758e-01
## ptratio
               1.553900e+00 1.137027e+00 2.123615e+00
## black
               9.904547e-01 9.788273e-01 1.002220e+00
## lstat
               1.101795e+00 9.749020e-01 1.245205e+00
               1.267365e+00 1.059759e+00 1.515641e+00
## medv
```

The chi-squared test statistic of 13.6, with one degrees of freedom is associated with a p-value of 0.00023 indicating that the overall effect of tax is statistically significant.

odds ratios and 95% CI