MSc Business Analytics: **Quantitative Methods**

Exercises

The following exercise offers you the opportunity to test your understanding of the materials presented to you in Lectures 11.

The data frame `wine` from the `mgcv` package contains data on prices and growing characteristics of 25 high quality Bordeaux wines from 1952 to 1998.
`price` gives the average price as a percentage of 1961; `s.temp` is the average temperature (Celsius) over the summer preceding harvest, while `h.temp` is the average temperature at harvest; `w.rain` is the mm of rain in the preceding winter, while `h.rain` give the mm of rain in the harvest month; `year` is obvious. Create a GAM to model price in terms of the given predictors. Interpret the effects and use the model to predict the missing prices.