Honwork 2, task 2

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Part 1: Private universities model

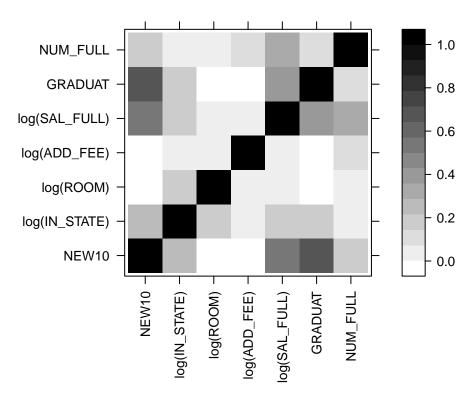
```
library(MASS)
library(lattice)
library(latticeExtra)
## Loading required package: RColorBrewer
library(e1071)
df <- read.csv2(file = "input-data/I.csv")</pre>
df <- subset(df, select = c(PPIND, NEW10, FULLTIME, IN_STATE, ROOM, ADD_FEE,
                           PH_D, GRADUAT, SAL_FULL, NUM_FULL))
df$PPIND <- factor(df$PPIND, labels = c("Public", "Private"))</pre>
df <- na.exclude(df)</pre>
df.priv <- subset(df, PPIND == "Private")</pre>
# all predictors with log
fit2 <- lm(NEW10 ~ FULLTIME + log(IN_STATE) + log(ROOM) + log(ADD_FEE) +
          log(SAL_FULL) + PH_D + GRADUAT + NUM_FULL, data = df.priv)
summary(fit2)
##
## Call:
## lm(formula = NEW10 ~ FULLTIME + log(IN_STATE) + log(ROOM) + log(ADD_FEE) +
      log(SAL_FULL) + PH_D + GRADUAT + NUM_FULL, data = df.priv)
##
## Residuals:
##
      Min
               1Q Median
                               3Q
                                      Max
## -29.363 -8.451 1.984 7.871 23.657
##
## Coefficients:
##
                  Estimate Std. Error t value Pr(>|t|)
## (Intercept)
                -2.875e+02 2.136e+02 -1.346 0.18955
## FULLTIME
                -1.650e-04 9.139e-04 -0.181 0.85807
## log(IN_STATE) 1.138e+01 9.276e+00 1.227 0.23037
## log(ROOM)
                -1.498e+01 1.025e+01 -1.462 0.15524
## log(ADD_FEE) -4.071e+00 3.287e+00 -1.239 0.22616
## log(SAL_FULL) 4.255e+01 3.105e+01
                                       1.370 0.18188
## PH_D
                 1.912e-01 5.197e-01 0.368 0.71578
## GRADUAT
                 8.897e-01 2.451e-01 3.631 0.00117 **
                 3.442e-02 2.596e-02 1.326 0.19603
## NUM_FULL
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
```

Residual standard error: 12.64 on 27 degrees of freedom

```
## Multiple R-squared: 0.7865, Adjusted R-squared: 0.7233 ## F-statistic: 12.43 on 8 and 27 DF, p-value: 2.812e-07
```

Following the same reason as it was discussed in class we have removed AVRCOMB predictor in advance. Next let's try to simplify our model manually. We can start with the least significant predictors - FULLTIME and PH D:

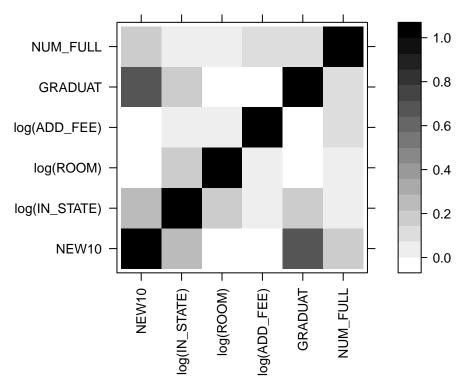
```
# manual removing
fit2.manual <- lm(NEW10 ~ log(IN_STATE) + log(ROOM) + log(ADD_FEE) +
                   log(SAL_FULL) + GRADUAT + NUM_FULL, data = df.priv)
summary(fit2.manual)
##
## Call:
## lm(formula = NEW10 ~ log(IN_STATE) + log(ROOM) + log(ADD_FEE) +
      log(SAL_FULL) + GRADUAT + NUM_FULL, data = df.priv)
##
##
## Residuals:
       Min
                 1Q
                      Median
                                   3Q
                                           Max
## -29.0604 -8.6451
                      0.8188
                              7.6399
                                       24.3483
## Coefficients:
                  Estimate Std. Error t value Pr(>|t|)
##
                -320.54341 189.28621 -1.693
## (Intercept)
                                                0.1011
                                       1.828
## log(IN_STATE)
                 13.69677
                              7.49452
                                                0.0779
## log(ROOM)
                 -15.54037
                              9.84592 -1.578
                                                0.1253
## log(ADD_FEE)
                  -3.68206
                              3.03277 -1.214
                                                0.2345
## log(SAL FULL)
                  46.50999
                             28.79141 1.615
                                                0.1171
                              0.20188 4.662 6.48e-05 ***
## GRADUAT
                   0.94127
## NUM_FULL
                   0.02987
                              0.02071
                                      1.442 0.1600
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## Residual standard error: 12.24 on 29 degrees of freedom
## Multiple R-squared: 0.7849, Adjusted R-squared: 0.7404
## F-statistic: 17.64 on 6 and 29 DF, p-value: 1.718e-08
AIC(fit2.manual)
## [1] 290.7169
tune(lm, fit2.manual$call$formula, data = df.priv,
    tunecontrol = tune.control(sampling = "cross", cross = 36))
##
## Error estimation of 'lm' using leave-one-out: 208.5229
levelplot(cor(fit2.manual$model)^2, par.settings = list(regions = list(col = colorRampPalette(grey(1:0))
         scales = list(x = list(rot = 90)), xlab = "", ylab = "")
```



SAL_FULL correlates with GRADUAT and NUM_FULL and logically it is semantically very strange predictor to be significant. Let's remove it:

```
##
## Call:
## lm(formula = NEW10 ~ log(IN_STATE) + log(ROOM) + log(ADD_FEE) +
       GRADUAT + NUM_FULL, data = df.priv)
##
##
## Residuals:
##
       Min
                1Q
                                3Q
                   Median
                                       Max
  -29.957 -7.935
                     1.179
                             6.899
                                    27.834
##
## Coefficients:
                  Estimate Std. Error t value Pr(>|t|)
##
## (Intercept)
                 -45.67356
                             85.12122
                                      -0.537
                                                0.5955
## log(IN_STATE)
                  16.34138
                              7.50716
                                        2.177
                                                0.0375 *
                                       -1.717
## log(ROOM)
                 -17.24994
                             10.04804
                                                0.0963
## log(ADD_FEE)
                                       -1.016
                  -3.14403
                              3.09423
                                                0.3177
## GRADUAT
                   1.11018
                              0.17727
                                        6.263
                                               6.7e-07 ***
## NUM_FULL
                   0.04737
                              0.01812
                                        2.615
                                                0.0138 *
##
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## Residual standard error: 12.56 on 30 degrees of freedom
## Multiple R-squared: 0.7655, Adjusted R-squared: 0.7265
## F-statistic: 19.59 on 5 and 30 DF, p-value: 1.207e-08
```



Next let's remove the least significant predictor - ADD_FEE:

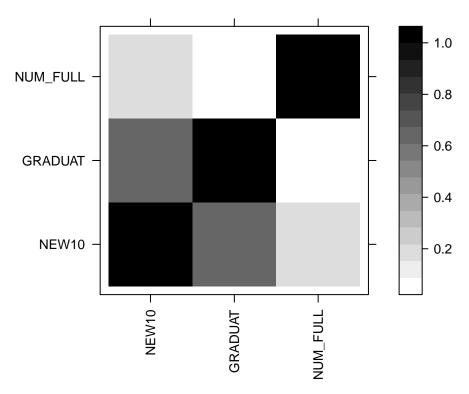
```
##
## Call:
## lm(formula = NEW10 ~ log(IN_STATE) + log(ROOM) + GRADUAT + NUM_FULL,
## data = df.priv)
##
## Residuals:
## Min 1Q Median 3Q Max
## -29.366 -8.566 1.002 7.356 30.377
##
```

```
##
                  Estimate Std. Error t value Pr(>|t|)
                                        -0.971
                                                  0.3388
## (Intercept)
                  -77.08700
                              79.34991
## log(IN_STATE)
                  17.09063
                               7.47476
                                          2.286
                                                  0.0292 *
## log(ROOM)
                  -16.37263
                              10.01612
                                         -1.635
                                                  0.1122
## GRADUAT
                    1.11249
                               0.17735
                                          6.273 5.66e-07 ***
## NUM FULL
                                          2.420
                                                  0.0216 *
                    0.04187
                               0.01730
## ---
## Signif. codes:
                   0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 12.57 on 31 degrees of freedom
## Multiple R-squared: 0.7575, Adjusted R-squared: 0.7262
## F-statistic: 24.21 on 4 and 31 DF, p-value: 3.706e-09
AIC(fit2.manual)
## [1] 291.0369
tune(lm, fit2.manual$call$formula, data = df.priv,
     tunecontrol = tune.control(sampling = "cross", cross = 36))
##
## Error estimation of 'lm' using leave-one-out: 190.2668
levelplot(cor(fit2.manual$model)^2, par.settings = list(regions = list(col = colorRampPalette(grey(1:0))
          scales = list(x = list(rot = 90)), xlab = "", ylab = "")
                                                               1.0
  NUM_FULL
                                                               0.8
   GRADUAT
                                                              - 0.6
  log(ROOM)
                                                               0.4
log(IN_STATE)
                                                               0.2
      NEW10
                                                               0.0
                  NEW10 -
                          og(IN_STATE)
                                 log(ROOM)
                                        GRADUAT
```

Coefficients:

Looking at the correlation matrix plot one can notice ROOM and IN_STATE corellate. Moreover in real world private universities' students have rich parents so they don't bother much about money. Let's remove both predictors:

```
fit2.manual <- lm(NEW10 ~</pre>
                    GRADUAT + NUM_FULL, data = df.priv)
summary(fit2.manual)
##
## Call:
## lm(formula = NEW10 ~ GRADUAT + NUM_FULL, data = df.priv)
## Residuals:
               1Q Median
##
      \mathtt{Min}
                               3Q
                                      Max
## -29.336 -7.373 1.898
                           7.854 35.263
##
## Coefficients:
                Estimate Std. Error t value Pr(>|t|)
##
## (Intercept) -59.67788 13.29516 -4.489 8.25e-05 ***
                         0.16769 7.715 6.93e-09 ***
## GRADUAT
                1.29373
## NUM_FULL
                 0.04101
                           0.01812 2.263 0.0304 *
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## Residual standard error: 13.26 on 33 degrees of freedom
## Multiple R-squared: 0.7128, Adjusted R-squared: 0.6954
## F-statistic: 40.95 on 2 and 33 DF, p-value: 1.149e-09
AIC(fit2.manual)
## [1] 293.1246
tune(lm, fit2.manual$call$formula, data = df.priv,
    tunecontrol = tune.control(sampling = "cross", cross = 36))
## Error estimation of 'lm' using leave-one-out: 185.3042
levelplot(cor(fit2.manual$model)^2, par.settings = list(regions = list(col = colorRampPalette(grey(1:0))
          scales = list(x = list(rot = 90)), xlab = "", ylab = "")
```



Here we stop with manual removing. One can notice the AIC values have been increasing within model simplification, not much but nevertheless. On the other hand cross validation test error has been decreasing a little bit faster than AIC. The situation with AIC is kind of strange but we prefer to rely on cross validation here =).

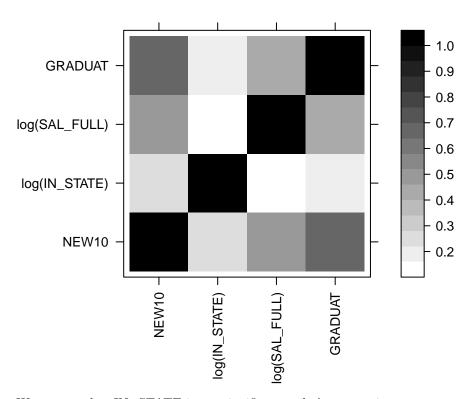
Let's now try simplify initial model with stepAIC:

```
# removing with stepAIC
fit2.aic <- stepAIC(fit2)</pre>
```

```
## Start: AIC=190.28
## NEW10 ~ FULLTIME + log(IN_STATE) + log(ROOM) + log(ADD_FEE) +
##
       log(SAL_FULL) + PH_D + GRADUAT + NUM_FULL
##
##
                   Df Sum of Sq
                                    RSS
                                           AIC
## - FULLTIME
                    1
                            5.21 4317.0 188.32
## - PH_D
                    1
                          21.62 4333.4 188.46
## - log(IN_STATE)
                    1
                         240.47 4552.3 190.24
## - log(ADD_FEE)
                          244.99 4556.8 190.27
## <none>
                                 4311.8 190.28
## - NUM_FULL
                         280.68 4592.5 190.55
                    1
## - log(SAL_FULL)
                         299.86 4611.7 190.70
## - log(ROOM)
                         341.42 4653.2 191.03
                    1
##
  - GRADUAT
                         2105.05 6416.8 202.59
##
## Step: AIC=188.32
## NEW10 ~ log(IN_STATE) + log(ROOM) + log(ADD_FEE) + log(SAL_FULL) +
##
       PH_D + GRADUAT + NUM_FULL
##
##
                   Df Sum of Sq
                                    RSS
                                           AIC
## - PH_D
                           27.50 4344.5 186.55
```

```
## - log(ADD_FEE)
                         242.42 4559.4 188.29
                                4317.0 188.32
## <none>
                         272.37 4589.4 188.53
## - log(IN STATE)
## - log(SAL_FULL) 1
                         323.45 4640.5 188.93
## - NUM FULL
                    1
                         337.81 4654.8 189.04
## - log(ROOM)
                    1
                         342.44 4659.4 189.07
## - GRADUAT
                        2100.07 6417.1 200.59
##
## Step: AIC=186.55
## NEW10 ~ log(IN_STATE) + log(ROOM) + log(ADD_FEE) + log(SAL_FULL) +
       GRADUAT + NUM_FULL
##
                                           AIC
##
                   Df Sum of Sq
                                   RSS
                          220.8 4565.3 186.34
## - log(ADD_FEE)
## <none>
                                4344.5 186.55
## - NUM_FULL
                          311.6 4656.1 187.05
                    1
## - log(ROOM)
                          373.2 4717.7 187.52
                    1
## - log(SAL_FULL) 1
                          390.9 4735.4 187.66
                          500.4 4844.9 188.48
## - log(IN_STATE)
                    1
## - GRADUAT
                    1
                         3256.7 7601.2 204.69
##
## Step: AIC=186.34
## NEW10 ~ log(IN_STATE) + log(ROOM) + log(SAL_FULL) + GRADUAT +
       NUM FULL
##
##
                   Df Sum of Sq
                                   RSS
                                           AIC
## - NUM_FULL
                          226.2 4791.5 186.08
                    1
## <none>
                                4565.3 186.34
## - log(SAL_FULL)
                   1
                          333.1 4898.4 186.87
## - log(ROOM)
                          334.2 4899.5 186.88
                    1
## - log(IN_STATE)
                    1
                          591.2 5156.5 188.72
## - GRADUAT
                    1
                         3388.2 7953.5 204.32
##
## Step: AIC=186.08
## NEW10 ~ log(IN_STATE) + log(ROOM) + log(SAL_FULL) + GRADUAT
##
                   Df Sum of Sq
                                   RSS
## - log(ROOM)
                          264.9 5056.4 186.02
## <none>
                                4791.5 186.08
## - log(IN_STATE)
                          522.3 5313.8 187.80
                   1
## - log(SAL FULL) 1
                         1032.7 5824.2 191.10
## - GRADUAT
                    1
                         3242.5 8034.0 202.69
##
## Step: AIC=186.02
## NEW10 ~ log(IN_STATE) + log(SAL_FULL) + GRADUAT
##
                   Df Sum of Sq
##
                                   RSS
                                           AIC
## <none>
                                5056.4 186.02
## - log(IN_STATE)
                          303.7 5360.1 186.12
                    1
## - log(SAL_FULL)
                    1
                         1080.6 6136.9 190.99
## - GRADUAT
                    1
                         3560.5 8616.9 203.21
summary(fit2.aic)
```

```
##
## Call:
## lm(formula = NEW10 ~ log(IN_STATE) + log(SAL_FULL) + GRADUAT,
      data = df.priv)
##
##
## Residuals:
      Min
               10 Median
                               30
                                      Max
## -28.065 -7.876 -1.223
                            7.994 28.061
##
## Coefficients:
                 Estimate Std. Error t value Pr(>|t|)
                           152.3402 -3.512 0.00135 **
## (Intercept)
                -534.9545
## log(IN_STATE)
                  9.4317
                              6.8031
                                      1.386 0.17522
## log(SAL_FULL)
                  63.6849
                             24.3528
                                       2.615 0.01349 *
## GRADUAT
                   0.9677
                              0.2038
                                      4.747 4.14e-05 ***
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## Residual standard error: 12.57 on 32 degrees of freedom
## Multiple R-squared: 0.7497, Adjusted R-squared: 0.7262
## F-statistic: 31.94 on 3 and 32 DF, p-value: 9.61e-10
AIC(fit2.aic)
## [1] 290.1793
tune(lm, fit2.aic$call$formula, data = df.priv,
    tunecontrol = tune.control(sampling = "cross", cross = 36))
## Error estimation of 'lm' using leave-one-out: 189.7339
levelplot(cor(fit2.aic$model)^2, par.settings = list(regions = list(col = colorRampPalette(grey(1:0))))
         scales = list(x = list(rot = 90)), xlab = "", ylab = "")
```



We can see that IN_STATE is not significant so let's remove it:

```
fit2.aic <- update(fit2.aic, . ~ . - log(IN_STATE))
summary(fit2.aic)</pre>
```

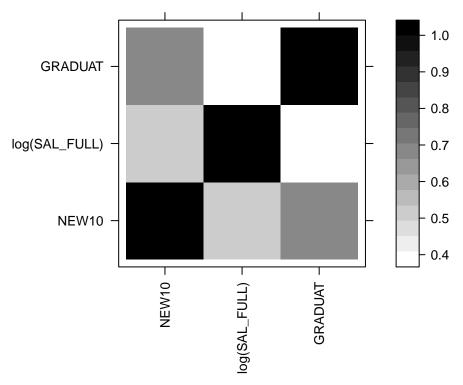
```
##
## Call:
## lm(formula = NEW10 ~ log(SAL_FULL) + GRADUAT, data = df.priv)
##
## Residuals:
                      Median
##
       Min
                  1Q
                                   ЗQ
                                           Max
## -26.8820 -6.8687
                      0.5165
                               8.0855 29.2902
##
## Coefficients:
##
                 Estimate Std. Error t value Pr(>|t|)
## (Intercept)
                -490.0817
                            150.9274 -3.247 0.00268 **
## log(SAL_FULL)
                  69.7759
                             24.2856
                                       2.873 0.00705 **
## GRADUAT
                   1.0373
                              0.2003
                                       5.179 1.09e-05 ***
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## Residual standard error: 12.74 on 33 degrees of freedom
## Multiple R-squared: 0.7346, Adjusted R-squared: 0.7185
## F-statistic: 45.67 on 2 and 33 DF, p-value: 3.118e-10
```

[1] 290.2792

AIC(fit2.aic)

```
tune(lm, fit2.aic$call$formula, data = df.priv,
    tunecontrol = tune.control(sampling = "cross", cross = 36))
```

##
Error estimation of 'lm' using leave-one-out: 176.3303



Here we stop. As we can see this model is better than one created by manual removing. But this model is strange in fact having SAL_FULL as a significant predictor. We decide to rely on logic and use manual model as the final model for private universities. Moreover it will be very convenient later to merge private and public universities because our model of private universities is a submodel of public ones.

The model has a pretty clear interpretation: the best newcomer students choosing private university prefer one with higher graduation percentage and higher number of good lecturers (full professors) and don't bother much about money factors due to a rich parents.

Part 2: general model

```
# general model
contrasts(df$PPIND) <- contr.treatment
contrasts(df$PPIND)</pre>
```

```
## 2 2 ## Public 0 ## Private 1
```

```
df$PPIND <- as.factor(df$PPIND)</pre>
gm <- lm(formula = NEW10 ~ (log(IN_STATE) + log(ADD_FEE) + GRADUAT + NUM_FULL) * PPIND, data = df)
summary(gm)
##
## Call:
## lm(formula = NEW10 ~ (log(IN_STATE) + log(ADD_FEE) + GRADUAT +
      NUM_FULL) * PPIND, data = df)
##
## Residuals:
##
      Min
             1Q Median
                               3Q
                                      Max
## -28.641 -7.887 -0.425 6.908 47.525
##
## Coefficients:
##
                         Estimate Std. Error t value Pr(>|t|)
## (Intercept)
                       1.169e+02 3.114e+01 3.753 0.000319 ***
                       -1.389e+01 3.625e+00 -3.832 0.000243 ***
## log(IN_STATE)
## log(ADD_FEE)
                       -4.357e+00 2.011e+00 -2.167 0.033056 *
## GRADUAT
                       7.875e-01 1.305e-01 6.034 4.05e-08 ***
## NUM FULL
                       3.756e-03 8.242e-03 0.456 0.649785
                       -2.559e+02 7.363e+01 -3.475 0.000806 ***
## PPIND2
## log(IN_STATE):PPIND2 2.469e+01 7.798e+00 3.166 0.002143 **
## log(ADD_FEE):PPIND2 1.669e+00 3.729e+00 0.448 0.655565
## GRADUAT:PPIND2
                       3.861e-01 2.196e-01 1.758 0.082341 .
## NUM_FULL:PPIND2
                       3.995e-02 2.009e-02 1.988 0.049994 *
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 12.8 on 85 degrees of freedom
## Multiple R-squared: 0.7323, Adjusted R-squared: 0.704
## F-statistic: 25.84 on 9 and 85 DF, p-value: < 2.2e-16
AIC(gm)
## [1] 765.3821
tune(lm, gm$call$formula, data = df,
    tunecontrol = tune.control(sampling = "cross", cross = 95))
##
## Error estimation of 'lm' using leave-one-out: 190.6542
gm.aic <- stepAIC(gm)</pre>
## Start: AIC=493.78
## NEW10 ~ (log(IN_STATE) + log(ADD_FEE) + GRADUAT + NUM_FULL) *
##
##
##
                        Df Sum of Sq RSS
                              32.81 13953 492.01
## - log(ADD_FEE):PPIND 1
```

```
## <none>
                                     13920 493.78
                              506.14 14426 495.18
## - GRADUAT:PPIND
                       1
## - NUM FULL:PPIND
                             647.43 14567 496.10
## - log(IN_STATE):PPIND 1 1641.96 15562 502.38
## Step: AIC=492.01
## NEW10 ~ log(IN STATE) + log(ADD FEE) + GRADUAT + NUM FULL + PPIND +
      log(IN_STATE):PPIND + GRADUAT:PPIND + NUM_FULL:PPIND
##
##
                        Df Sum of Sq
                                       RSS
                                              AIC
## <none>
                                     13953 492.01
## - GRADUAT:PPIND
                         1
                              553.67 14506 493.70
## - NUM_FULL:PPIND
                         1
                              742.60 14695 494.93
## - log(ADD_FEE)
                         1
                           855.97 14809 495.66
## - log(IN_STATE):PPIND 1 1611.68 15564 500.39
summary(gm.aic)
##
## lm(formula = NEW10 ~ log(IN_STATE) + log(ADD_FEE) + GRADUAT +
      NUM_FULL + PPIND + log(IN_STATE):PPIND + GRADUAT:PPIND +
      NUM_FULL:PPIND, data = df)
##
##
## Residuals:
      Min
               1Q Median
                               30
                                      Max
## -28.840 -7.370 -0.553 7.379 47.708
## Coefficients:
##
                        Estimate Std. Error t value Pr(>|t|)
                       1.129e+02 2.968e+01 3.803 0.000267 ***
## (Intercept)
## log(IN_STATE)
                       -1.365e+01 3.570e+00 -3.825 0.000247 ***
## log(ADD_FEE)
                       -3.871e+00 1.685e+00 -2.297 0.024052 *
## GRADUAT
                        7.741e-01 1.264e-01 6.122 2.67e-08 ***
                        3.883e-03 8.199e-03 0.474 0.636944
## NUM_FULL
## PPIND2
                       -2.417e+02 6.620e+01 -3.652 0.000447 ***
## log(IN_STATE):PPIND2 2.406e+01 7.635e+00 3.152 0.002234 **
## GRADUAT:PPIND2
                        3.998e-01 2.164e-01 1.847 0.068138 .
## NUM_FULL:PPIND2
                       4.183e-02 1.955e-02 2.139 0.035235 *
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## Residual standard error: 12.74 on 86 degrees of freedom
## Multiple R-squared: 0.7317, Adjusted R-squared: 0.7068
## F-statistic: 29.32 on 8 and 86 DF, p-value: < 2.2e-16
AIC(gm.aic)
## [1] 763.6058
tune(lm, gm.aic$call$formula, data = df,
    tunecontrol = tune.control(sampling = "cross", cross = 95))
```

##

Error estimation of 'lm' using leave-one-out: 187.6378

Finally let's try to interpret general model predictors' coefficients.

First of all we have -13.6 * log(IN_STATE) + 24 * log(IN_STATE) * PPIND. That means that in public universities the lower tuition fees are the higher percentage of good newcomer students is and vice versa in private ones. The first thing is pretty intuitive. The second one could be interpreted in the following way: private universities' students being from rich families don't bother much about money moreover high fees may be used as university's quality factor or prestige value.

log(ADD_FEE) has a negative influence on a percentage of good newcomers in both cases. So nobody likes to spend additional money even rich people because in this case the reasons of additional fees are not completely understandable (in the case of IN_STATE fees there is a clear reason for this).

GRADUAT has a positive influence on the NEW10 moreover the influence is higher in the case of private universities. The reason of it can be found in the fact there are not only students from wellbeing families in private universities but also there are newcomers who has not very rich parents. This students has a double interest in the graduation percentage because they don't want to spend their money in vain.

NUM_FULL has a positive influence and again higher in private universities so may be it is all about prestige value or quality level.

And finally PPIND has a negative coefficient so NEW10 is a little bit higher in public universities (according to our encoding for PPIND).