BT2101 Decision Making Methods and Tools
SEMESTER I 2019-2020
Group project
Due: Friday, 22 November 2019

Instructions:

1. Form a group of 4 to 6 students to work on this group project.

2. Download the dataset ”card.csv” from Luminus Group-Project folder. You can find more information about this dataset below.

3. For each group, the project deliverables are:

   (a) A report to be upload as pdf file into Luminus folder Project-Submission. Deadline: 11.59 pm, Friday, 22 November 2019. The report should:

   - show the names of all members of the group.
   - include description of the problem and dataset.
   - describe briefly the machine learning/statistical methods that you have tested in order to achieve a good solution to the problem. There is no requirement on the minimum or maximum number of methods that you have to test.
   - include a discussion of which method(s) you consider to be best in terms of prediction accuracy for this dataset.
   - not be more than 20 pages in length (inclusive all graphs, figures, tables, but not your code), typed with fontsize 12pt, single spacing.

   (b) The R (or Python) code you write for this project. These are the steps on how to submit your R code using Jupyter Notebook as a pdf file:

   - Step 1: Installing Jupyter notebook by following the instructions on `https://jupyter.readthedocs.io/en/latest/install.html` See also:
     i. `https://www.kdnuggets.com/2019/06/jupyter-notebooks-data-science-reporting.html/`
     ii. `https://www.kdnuggets.com/2019/02/running-r-and-python-in-jupyter.html/`
   - Step 2: For R users, do follow the instructions on the following url so that you may use R language on Jupyter notebook `https://docs.anaconda.com/anaconda/navigator/tutorials/create-r-environment/`
   - Step 2b: For Python users, no additional steps are needed.
   - Step 3: Save your Jupyter notebook in PDF format and submit to Luminus. If in doubt, please follow the steps on using nbconvert: `http://www.blog.pythonlibrary.org/2018/10/09/how-to-export-jupyter-notebooks-into-other-formats/`

   (c) A completed peer review form to be submitted individually by each member of the group. Upload the completed form into Project-Submission folder.

Model: Your writeup should comprise the following segments:

1. Brief introduction of data set and data modeling problem;
2. Exploratory data analysis: This refers to performing initial investigations on data so as to discover patterns, to spot anomalies, to test hypothesis and to check assumptions with the help of summary statistics and graphical representations.

   References:

   (a) `https://towardsdatascience.com/exploratory-data-analysis-8fc1cb20fd15`

   (b) `https://www.ritchieng.com/machine-learning-project-titanic-survival/`

3. Data pre-processing: This involves transforming raw data into an understandable format.

   References:

   (a) Lecture 4 notes

   (b) `https://towardsdatascience.com/data-pre-processing-techniques-you-should-know-8954662716d6`

4. Feature selection: Feature Selection is the process where you automatically or manually select those features which contribute most to your prediction variable or output in which you are interested in.

   Reference:
   `https://www.analyticsvidhya.com/blog/2016/12/introduction-to-feature-selection-methods-with-an-example-or-how-to-select-the-right-variables/`

5. Model selection: See the recommended steps for parameter estimation and model selection in the following reference:

   `https://www.ritchieng.com/machine-learning-project-student-intervention/`

6. Model evaluation: Evaluation metrics explain the performance of a model. An important aspect of evaluation metrics is their capability to discriminate among model results.

   Reference:

   (a) Lecture 3 notes

   (b) `https://www.ritchieng.com/machine-learning-evaluate-classification-model/`

7. Discussion on whether there is any room for improvement.

Dataset:

1. The dataset ”card.csv” has been obtained from UCI repository:

   `https://archive.ics.uci.edu/ml/datasets/default+of+credit+card+clients`

   It contains payment information of 30,000 credit card holders obtained from a bank in Taiwan. Each data sample is described by 23 feature attributes. The target feature to be predicted is binary valued 0 (= not default) or 1 (= default).

2. Read the two ’header’ lines in the data file and divide the samples for training and testing:

   ```
   data <- read.table("card.csv",sep=’,’,skip=2,header=FALSE)
   header1 <- scan("card.csv",sep=’,’,nlines=1,what=character())
   header2 <- scan("card.csv",sep=’,’,skip=1,nlines=1,what=character())
   set.seed(123)
   n = length(data$V1)
   index <- 1:nrow(data)
   testindex <- sample(index, trunc(2*n)/3)
   test.data <- data[testindex,]
   train.data <- data[-testindex,]
   ```