Project#1

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Regression

This is a group project, and students should work in a group of size 3. Include all the R code, hypothesis testing, one or two lines of explanation for any output. The report should be organized, printed, and stapled. The due date of this project is **Wednesday** 02/19/2020.

```
Movies = read.csv("C3 2008Movies.csv")
```

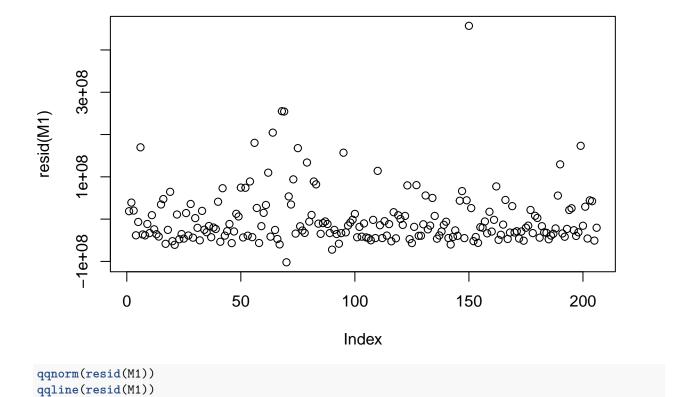
The 2008Movies file contains data on movies released in 2008.

1. Calculate a regression model to predict box office from run time. Interpret the \mathbb{R}^2 value and test statistic for the slope in the context of this problem.

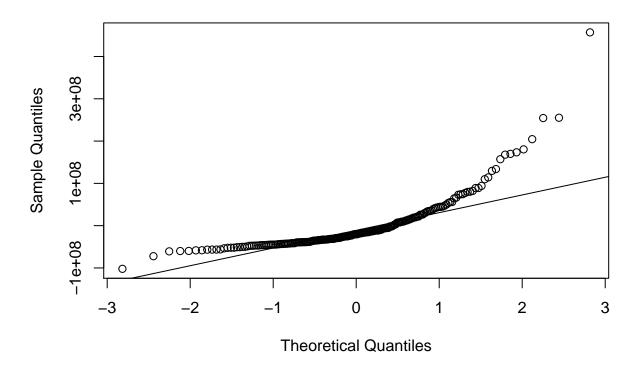
```
M1 = lm(BoxOfficeGross~RunTime, data=Movies)
summary(M1)
```

```
##
## lm(formula = BoxOfficeGross ~ RunTime, data = Movies)
##
## Residuals:
##
                             Median
          Min
                      1Q
                                            3Q
                                                      Max
## -102059739
               -39266026
                          -20290622
                                      17164421
                                                457025023
##
## Coefficients:
##
               Estimate Std. Error t value Pr(>|t|)
## (Intercept)
                3506911
                          24316122
                                     0.144
                                              0.885
                                              0.036 *
## RunTime
                 478843
                            226856
                                     2.111
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## Residual standard error: 65930000 on 204 degrees of freedom
     (3 observations deleted due to missingness)
## Multiple R-squared: 0.02137,
                                    Adjusted R-squared:
## F-statistic: 4.455 on 1 and 204 DF, p-value: 0.03601
```

plot(resid(M1))



Normal Q-Q Plot



2. Create indicator variables for the genre and MPAA rating. Use the best subsets regression to determine a appropriate regression model.

```
Genre = as.numeric(Movies$Genre)
MPAA = as.numeric(Movies$MPAA)
library("leaps")
Model_subset = regsubsets(BoxOfficeGross~Genre + MPAA, data=Movies)
summary(Model subset)
## Subset selection object
## Call: regsubsets.formula(BoxOfficeGross ~ Genre + MPAA, data = Movies)
## 14 Variables (and intercept)
                            Forced in Forced out
## GenreAdventure
                                FALSE
                                           FALSE
## GenreComedy
                                FALSE
                                           FALSE
## GenreConcert/Performance
                                FALSE
                                           FALSE
## GenreDocumentary
                                FALSE
                                           FALSE
## GenreDrama
                                FALSE
                                           FALSE
## GenreHorror
                                FALSE
                                           FALSE
## GenreMusical
                                FALSE
                                           FALSE
## GenreRomantic Comedy
                                FALSE
                                           FALSE
## GenreThriller/Suspense
                                FALSE
                                           FALSE
## GenreWestern
                                FALSE
                                           FALSE
## MPAANot Rated
                                FALSE
                                           FALSE
## MPAAPG
                                FALSE
                                           FALSE
## MPAAPG-13
                                FALSE
                                           FALSE
## MPAAR
                                FALSE
                                           FALSE
## 1 subsets of each size up to 8
## Selection Algorithm: exhaustive
            GenreAdventure GenreComedy GenreConcert/Performance GenreDocumentary
## 1 (1) "*"
                           11 11
                                       11 11
                                                                 11 11
## 2 (1) "*"
## 3 (1) "*"
                           11 11
## 4 ( 1 ) "*"
## 5 (1)"*"
                           11 11
                                                                 11 * 11
                                       .. ..
                           "*"
## 6 (1)""
## 7 (1)""
                           "*"
                                       "*"
                                                                 "*"
## 8 (1)""
                           "*"
                                       "*"
##
            GenreDrama GenreHorror GenreMusical GenreRomantic Comedy
## 1 (1)""
                       11 11
                                   11 11
                                                11 11
## 2 (1)""
## 3 (1) "*"
                                   11 11
                                   11 11
## 4 ( 1 ) "*"
                                   "*"
## 5 (1)"*"
                                   11 11
## 6 (1) "*"
                                   11 11
                                                "*"
## 7 (1) "*"
                                   11 11
                                                "*"
## 8 (1) "*"
                       "*"
##
            GenreThriller/Suspense GenreWestern MPAANot Rated MPAAPG MPAAPG-13
## 1 (1)""
                                   11 11
                                                11 11
## 2 (1)""
                                   11 11
                                                .. ..
                                                               .. ..
## 3 (1)""
## 4 (1)""
                                   .....
                                                .. ..
                                                               .....
## 5 (1)""
                                   11 11
                                                11 11
                                                               11 11
## 6 (1) "*"
                                   11 11
                                                .. ..
                                                               .....
## 7 (1) "*"
```

```
11 11
## 8 (1) "*"
##
          MPAAR
     (1)""
## 1
     (1)"*"
## 2
     (1)"*"
    (1)"*"
    (1)"*"
     (1)"*"
## 6
## 7
    (1)"*"
## 8 (1) "*"
```

```
# We want row 8
# GenreComedy + GenreConcert/Performance + GenreDocumentary + GenreDrama + GenreHorror + GenreRomantic
```

- ${\tt a.}\ {\tt Validate}\ {\tt the}\ {\tt model}\ {\tt assumptions.}$
- b. Look at residual plots and check for heteroskedasticity (unequal variance), multicollinearity, corre
- c. submit your suggested least squares regression formula along with a limited number of appropriate gr
- d. Test the overall model adequcy.
 - 3. Conduct an extra sum of squares test to determine if one or more interaction terms (or quadratic terms) should be included in the model. You can choose any other terms to test.
 - 4. Test whether average run time is the same for different Genre. Clearly show your hypothesis test.
 - 5. Check equality of variance of run time for Genre type.