

(https://www.bigdatauniversity.com)

## **Classification with Python**

In this notebook we try to practice all the classification algorithms that we learned in this course.

We load a dataset using Pandas library, and apply the following algorithms, and find the best one for this specific dataset by accuracy evaluation methods.

Lets first load required libraries:

```
In [1]: import itertools
import numpy as np
import matplotlib.pyplot as plt
from matplotlib.ticker import NullFormatter
import pandas as pd
import numpy as np
import matplotlib.ticker as ticker
from sklearn import preprocessing
%matplotlib inline
```

#### **About dataset**

This dataset is about past loans. The **Loan\_train.csv** data set includes details of 346 customers whose loan are already paid off or defaulted. It includes following fields:

Field	Description
Loan_status	Whether a loan is paid off on in collection
Principal	Basic principal loan amount at the
Terms	Origination terms which can be weekly (7 days), biweekly, and monthly payoff schedule
Effective_date	When the loan got originated and took effects
Due_date	Since it's one-time payoff schedule, each loan has one single due date
Age	Age of applicant
Education	Education of applicant
Gender	The gender of applicant

### Lets download the dataset

## **Load Data From CSV File**

```
In [4]: | df = pd.read_csv('loan_train.csv')
         df.head()
Out[4]:
             Unnamed: 0 Unnamed: 0.1 Ioan_status Principal terms effective_date due_date age
                                                                                                         education Gender
          0
                      0
                                         PAIDOFF
                                    0
                                                       1000
                                                               30
                                                                        9/8/2016 10/7/2016
                                                                                            45 High School or Below
                                                                                                                      male
                      2
                                         PAIDOFF
                                                                        9/8/2016 10/7/2016
                                                                                            33
                                                                                                          Bechalor
                                                       1000
                                                               30
                                                                                                                    female
                      3
                                    3
                                         PAIDOFF
                                                       1000
                                                                        9/8/2016 9/22/2016
                                                                                            27
                                                               15
                                                                                                           college
                                                                                                                      male
                                         PAIDOFF
                                                       1000
                                                               30
                                                                        9/9/2016 10/8/2016
                                                                                            28
                                                                                                           college
                                                                                                                    female
                      6
                                    6
                                         PAIDOFF
                                                       1000
                                                               30
                                                                        9/9/2016 10/8/2016
                                                                                            29
                                                                                                           college
                                                                                                                      male
In [5]: df.shape
Out[5]: (346, 10)
```

## Convert to date time object

```
In [6]: df['due_date'] = pd.to_datetime(df['due_date'])
    df['effective_date'] = pd.to_datetime(df['effective_date'])
    df.head()
```

Out[6]:

	Unnamed: 0	Unnamed: 0.1	loan_status	Principal	terms	effective_date	due_date	age	education	Gender
0	0	0	PAIDOFF	1000	30	2016-09-08	2016-10-07	45	High School or Below	male
1	2	2	PAIDOFF	1000	30	2016-09-08	2016-10-07	33	Bechalor	female
2	3	3	PAIDOFF	1000	15	2016-09-08	2016-09-22	27	college	male
3	4	4	PAIDOFF	1000	30	2016-09-09	2016-10-08	28	college	female
4	6	6	PAIDOFF	1000	30	2016-09-09	2016-10-08	29	college	male

# Data visualization and pre-processing

Let's see how many of each class is in our data set

COLLECTION

```
In [7]: df['loan_status'].value_counts()
Out[7]: PAIDOFF 260
```

Name: loan\_status, dtype: int64

86

260 people have paid off the loan on time while 86 have gone into collection

Lets plot some columns to underestand data better:

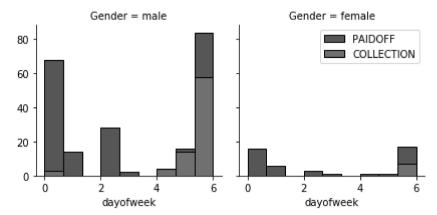
```
!conda install -c anaconda seaborn -y
        Solving environment: done
        ## Package Plan ##
          environment location: /opt/conda/envs/Python36
          added / updated specs:
            seaborn
        The following packages will be downloaded:
                                                 build
            package
            ca-certificates-2020.1.1
                                                  0
                                                              132 KB anaconda
                                                              161 KB anaconda
            seaborn-0.10.0
                                                  ру_0
            certifi-2019.11.28
                                                py36_1
                                                              157 KB anaconda
                                            h7b6447c_0
            openssl-1.1.1
                                                              5.0 MB anaconda
                                                Total:
                                                              5.5 MB
        The following packages will be UPDATED:
            ca-certificates: 2020.1.1-0
                                             --> 2020.1.1-0
                                                                  anaconda
                            2019.11.28-py36_0 --> 2019.11.28-py36_1 anaconda
            certifi:
                            1.1.1e-h7b6447c_0 --> 1.1.1-h7b6447c_0 anaconda
            openssl:
                            0.9.0-pyh91ea838_1 --> 0.10.0-py_0
            seaborn:
                                                                  anaconda
        Downloading and Extracting Packages
                                         ca-certificates-2020 | 132 KB
                                                                              100%
        seaborn-0.10.0
                             161 KB
                                         100%
        certifi-2019.11.28
                             157 KB
                                         100%
        openssl-1.1.1
                            5.0 MB
                                       Preparing transaction: done
        Verifying transaction: done
        Executing transaction: done
In [9]: | import seaborn as sns
        bins = np.linspace(df.Principal.min(), df.Principal.max(), 10)
        g = sns.FacetGrid(df, col="Gender", hue="loan_status", palette="Set1", col_wrap=2)
        g.map(plt.hist, 'Principal', bins=bins, ec="k")
        g.axes[-1].legend()
        plt.show()
                   Gender = male
                                          Gender = female
                                                PAIDOFF
         150
                                                COLLECTION
         125
         100
          75
          50
          25
               400
                     600
                           800
                                1000
                                       400
                                             600
                                                   800
                     Principal
                                             Principal
In [10]: | bins = np.linspace(df.age.min(), df.age.max(), 10)
         g = sns.FacetGrid(df, col="Gender", hue="loan_status", palette="Set1", col_wrap=2)
        g.map(plt.hist, 'age', bins=bins, ec="k")
        g.axes[-1].legend()
        plt.show()
                  Gender = male
                                          Gender = female
                                              PAIDOFF
         50
                                              COLLECTION
         40
         30
         20
         10
             20
                   30
                                50
                                      20
                                            30
                                              age
```

# **Pre-processing: Feature selection/extraction**

In [8]: | # notice: installing seaborn might takes a few minutes

### Lets look at the day of the week people get the loan

```
In [11]: df['dayofweek'] = df['effective_date'].dt.dayofweek
    bins = np.linspace(df.dayofweek.min(), df.dayofweek.max(), 10)
    g = sns.FacetGrid(df, col="Gender", hue="loan_status", palette="Set1", col_wrap=2)
    g.map(plt.hist, 'dayofweek', bins=bins, ec="k")
    g.axes[-1].legend()
    plt.show()
```



We see that people who get the loan at the end of the week dont pay it off, so lets use Feature binarization to set a threshold values less then day 4

Out[12]:

	Unnamed: 0	Unnamed: 0.1	loan_status	Principal	terms	effective_date	due_date	age	education	Gender	dayofweek	weekend
0	0	0	PAIDOFF	1000	30	2016-09-08	2016-10-07	45	High School or Below	male	3	0
1	2	2	PAIDOFF	1000	30	2016-09-08	2016-10-07	33	Bechalor	female	3	0
2	3	3	PAIDOFF	1000	15	2016-09-08	2016-09-22	27	college	male	3	0
3	4	4	PAIDOFF	1000	30	2016-09-09	2016-10-08	28	college	female	4	1
4	6	6	PAIDOFF	1000	30	2016-09-09	2016-10-08	29	college	ma <b>l</b> e	4	1

# **Convert Categorical features to numerical values**

Lets look at gender:

In [13]: df.groupby(['Gender'])['loan\_status'].value\_counts(normalize=True)

Out[13]: Gender loan\_status

 female
 PAIDOFF
 0.865385

 COLLECTION
 0.134615

 male
 PAIDOFF
 0.731293

 COLLECTION
 0.268707

Name: loan\_status, dtype: float64

 $86\ \%$  of female pay there loans while only  $73\ \%$  of males pay there loan

Lets convert male to 0 and female to 1:

In [14]: df['Gender'].replace(to\_replace=['male','female'], value=[0,1],inplace=True)
 df.head()

Out[14]:

	Unnamed: 0	Unnamed: 0.1	loan_status	Principal	terms	effective_date	due_date	age	education	Gender	dayofweek	weekend	
0	0	0	PAIDOFF	1000	30	2016-09-08	2016-10-07	45	High School or Below	0	3	0	-
1	2	2	PAIDOFF	1000	30	2016-09-08	2016-10-07	33	Bechalor	1	3	0	
2	3	3	PAIDOFF	1000	15	2016-09-08	2016-09-22	27	college	0	3	0	
3	4	4	PAIDOFF	1000	30	2016-09-09	2016-10-08	28	college	1	4	1	
4	6	6	PAIDOFF	1000	30	2016-09-09	2016-10-08	29	college	0	4	1	

# **One Hot Encoding**

How about education?

```
In [15]: | df.groupby(['education'])['loan_status'].value_counts(normalize=True)
Out[15]: education
                               loan_status
         Bechalor
                               PAIDOFF
                                               0.750000
                               COLLECTION
                                               0.250000
         High School or Below PAIDOFF
                                               0.741722
                               COLLECTION
                                               0.258278
                               COLLECTION
         Master or Above
                                               0.500000
                               PAIDOFF
                                               0.500000
         college
                               PAIDOFF
                                               0.765101
                               COLLECTION
                                               0.234899
         Name: loan_status, dtype: float64
```

#### **Feature befor One Hot Encoding**

```
In [16]: df[['Principal','terms','age','Gender','education']].head()
```

Out[16]:

	Principal	terms	age	Gender	education
0	1000	30	45	0	High School or Below
1	1000	30	33	1	Bechalor
2	1000	15	27	0	college
3	1000	30	28	1	college
4	1000	30	29	0	college

### Use one hot encoding technique to conver categorical varables to binary variables and append them to the feature Data Frame

```
In [17]: Feature = df[['Principal','terms','age','Gender','weekend']]
Feature = pd.concat([Feature,pd.get_dummies(df['education'])], axis=1)
Feature.drop(['Master or Above'], axis = 1,inplace=True)
Feature.head()
```

Out[17]:

	Principal	terms	age	Gender	weekend	Bechalor	High School or Below	college
0	1000	30	45	0	0	0	1	0
1	1000	30	33	1	0	1	0	0
2	1000	15	27	0	0	0	0	1
3	1000	30	28	1	1	0	0	1
4	1000	30	29	0	1	0	0	1

### **Feature selection**

Lets defind feature sets, X:

Out[18]:

	Principal	terms	age	Gender	weekend	Bechalor	High School or Below	college
0	1000	30	45	0	0	0	1	0
1	1000	30	33	1	0	1	0	0
2	1000	15	27	0	0	0	0	1
3	1000	30	28	1	1	0	0	1
4	1000	30	29	0	1	0	0	1

### What are our lables?

## **Normalize Data**

Data Standardization give data zero mean and unit variance (technically should be done after train test split)

```
In [20]: X= preprocessing.StandardScaler().fit(X).transform(X)
         X[0:5]
         /opt/conda/envs/Python36/lib/python3.6/site-packages/sklearn/preprocessing/data.py:645: DataConversionWarning: Data w
         ith input dtype uint8, int64 were all converted to float64 by StandardScaler.
           return self.partial_fit(X, y)
         /opt/conda/envs/Python36/lib/python3.6/site-packages/ipykernel/__main__.py:1: DataConversionWarning: Data with input
         dtype uint8, int64 were all converted to float64 by StandardScaler.
           if __name__ == '__main__':
Out[20]: array([[ 0.51578458, 0.92071769, 2.33152555, -0.42056004, -1.20577805,
                 -0.38170062, 1.13639374, -0.86968108],
                [ 0.51578458, 0.92071769, 0.34170148, 2.37778177, -1.20577805,
                  2.61985426, -0.87997669, -0.86968108],
                [0.51578458, -0.95911111, -0.65321055, -0.42056004, -1.20577805,
                 -0.38170062, -0.87997669, 1.14984679],
                [ 0.51578458, 0.92071769, -0.48739188, 2.37778177, 0.82934003,
                 -0.38170062, -0.87997669, 1.14984679],
                [0.51578458, 0.92071769, -0.3215732, -0.42056004, 0.82934003,
                 -0.38170062, -0.87997669, 1.14984679]])
```

## Classification

Now, it is your turn, use the training set to build an accurate model. Then use the test set to report the accuracy of the model You should use the following algorithm:

- K Nearest Neighbor(KNN)
- Decision Tree
- · Support Vector Machine
- Logistic Regression

#### Notice:

- You can go above and change the pre-processing, feature selection, feature-extraction, and so on, to make a better model.
- You should use either scikit-learn, Scipy or Numpy libraries for developing the classification algorithms.
- You should include the code of the algorithm in the following cells.

# K Nearest Neighbor(KNN)

Notice: You should find the best k to build the model with the best accuracy.

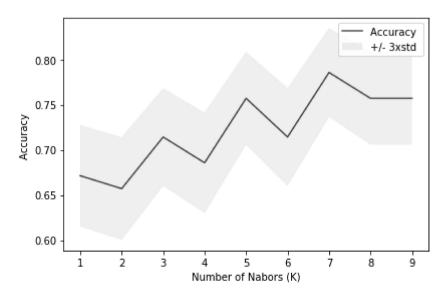
warning: You should not use the loan\_test.csv for finding the best k, however, you can split your train\_loan.csv into train and test to find the best k.

```
In [21]: # split train_loan
    from sklearn.model_selection import train_test_split
    X_train, X_test, y_train, y_test = train_test_split( X, y, test_size=0.2, random_state=4 )
    print ('Train set:', X_train.shape, y_train.shape)
    print ('Test set:', X_test.shape, y_test.shape)

Train set: (276, 8) (276,)
    Test set: (70, 8) (70,)
```

```
In [22]: # import library
         from sklearn.neighbors import KNeighborsClassifier
         from sklearn import metrics
         # try with 10 different values of k to find the best one
         Ks = 10
         mean_acc = np.zeros((Ks-1))
         std_acc = np.zeros((Ks-1))
         ConfustionMx = [];
         for n in range(1,Ks):
              #Train Model and Predict
             neigh = KNeighborsClassifier(n_neighbors = n).fit(X_train,y_train)
             yhat=neigh.predict(X_test)
             mean_acc[n-1] = metrics.accuracy_score(y_test, yhat)
              std_acc[n-1]=np.std(yhat==y_test)/np.sqrt(yhat.shape[0])
         # accuracy
         print(mean_acc)
         # Plot model accuracy for Different number of Neighbors
         plt.plot(range(1,Ks),mean_acc,'g')
         plt.fill_between(range(1,Ks),mean_acc - 1 * std_acc,mean_acc + 1 * std_acc, alpha=0.10)
         plt.legend(('Accuracy ', '+/- 3xstd'))
         plt.ylabel('Accuracy ')
         plt.xlabel('Number of Nabors (K)')
         plt.tight_layout()
         plt.show()
         # result
         print( "The best accuracy was with", mean_acc.max(), "with k=", mean_acc.argmax()+1 )
```

[0.67142857 0.65714286 0.71428571 0.68571429 0.75714286 0.71428571 0.78571429 0.75714286 0.75714286]



The best accuracy was with 0.7857142857142857 with k= 7

### **Decision Tree**

# **Support Vector Machine**

```
In [25]: # import Library
    from sklearn import svm
    # training
    clf = svm.SVC()
    clf.fit(X_train, y_train)

/opt/conda/envs/Python36/lib/python3.6/site-packages/sklearn/svm/base.py:196: FutureWarning: The default value of gam
    ma will change from 'auto' to 'scale' in version 0.22 to account better for unscaled features. Set gamma explicitly t
    o 'auto' or 'scale' to avoid this warning.
    "avoid this warning.", FutureWarning)

Out[25]: SVC(C=1.0, cache_size=200, class_weight=None, coef0=0.0,
    decision_function_shape='ovr', degree=3, gamma='auto_deprecated',
    kernel='rbf', max_iter=-1, probability=False, random_state=None,
    shrinking=True, tol=0.001, verbose=False)

In []:

In []:
```

# **Logistic Regression**

# **Model Evaluation using Test set**

```
In [27]: from sklearn.metrics import jaccard_similarity_score from sklearn.metrics import f1_score from sklearn.metrics import log_loss
```

First, download and load the test set:

### **Load Test set for evaluation**

```
test_df.head()
Out[29]:
             Unnamed: 0 Unnamed: 0.1 Ioan_status Principal terms effective_date due_date age
                                                                                               education Gender
          0
                                      PAIDOFF
                                                  1000
                                                          30
                                                                  9/8/2016 10/7/2016
                                                                                                Bechalor
                                                                                   50
                                                                                                         female
                     5
                                      PAIDOFF
                                                   300
                                                          7
                                                                  9/9/2016 9/15/2016
                                                                                   35
                                                                                           Master or Above
                                                                                                          male
                                                                                   43 High School or Below
                                21
                                      PAIDOFF
                                                                 9/10/2016 10/9/2016
          2
                    21
                                                  1000
                                                          30
                                                                                                         female
                                      PAIDOFF
                                                                 9/10/2016 10/9/2016
                    24
                                24
                                                  1000
                                                          30
                                                                                   26
                                                                                                 college
                                                                                                          male
                    35
                                35
                                      PAIDOFF
                                                   800
                                                          15
                                                                 9/11/2016 9/25/2016
                                                                                   29
                                                                                                Bechalor
                                                                                                          male
In [30]: # Pre-processing Loan_test
          test_df['due_date'] = pd.to_datetime(test_df['due_date'])
          test_df['effective_date'] = pd.to_datetime(test_df['effective_date'])
          test_df['dayofweek'] = df['effective_date'].dt.dayofweek
          test_df['weekend'] = test_df['dayofweek'].apply(lambda x: 1 if (x>3) else 0)
          test_df['Gender'].replace(to_replace=['male','female'], value=[0,1],inplace=True)
          Feature_test = test_df[['Principal','terms','age','Gender','weekend']]
          Feature_test = pd.concat([Feature_test,pd.get_dummies(test_df['education'])], axis=1)
          Feature_test.drop(['Master or Above'], axis = 1,inplace=True)
          test_X = Feature_test
          test_X = preprocessing.StandardScaler().fit(test_X).transform(test_X)
          test_X[0:5]
         /opt/conda/envs/Python36/lib/python3.6/site-packages/sklearn/preprocessing/data.py:645: DataConversionWarning: Data w
         ith input dtype uint8, int64 were all converted to float64 by StandardScaler.
            return self.partial fit(X, y)
         /opt/conda/envs/Python36/lib/python3.6/site-packages/ipykernel/__main__.py:11: DataConversionWarning: Data with input
         dtype uint8, int64 were all converted to float64 by StandardScaler.
Out[30]: array([[ 0.49362588, 0.92844966, 3.05981865, 1.97714211, -4.12310563,
                   2.39791576, -0.79772404, -0.86135677],
                 [-3.56269116, -1.70427745, 0.53336288, -0.50578054, -4.12310563,
                  -0.41702883, -0.79772404, -0.86135677],
                 [0.49362588, 0.92844966, 1.88080596, 1.97714211, -4.12310563,
                  -0.41702883, 1.25356634, -0.86135677],
                 [0.49362588, 0.92844966, -0.98251057, -0.50578054, 0.24253563,
                  -0.41702883, -0.79772404, 1.16095912],
                 [-0.66532184, -0.78854628, -0.47721942, -0.50578054, 0.24253563,
                   2.39791576, -0.79772404, -0.86135677]])
In [33]: | # Pre-processing loan_test (cont)
          test_y = test_df['loan_status'].values
         test_y[0:5]
Out[33]: array(['PAIDOFF', 'PAIDOFF', 'PAIDOFF', 'PAIDOFF'],
                dtype=object)
```

### KNN

```
In [34]: # predicted y
yhat_knn = neigh.predict(test_X)

# jaccard
jaccard_knn = jaccard_similarity_score(test_y, yhat_knn)
print("KNN Jaccard index: ", jaccard_knn)

# f1_score
f1_score_knn = f1_score(test_y, yhat_knn, average='weighted')
print("KNN F1-score: ", f1_score_knn)
```

KNN Jaccard index: 0.6851851851851852
KNN F1-score: 0.6453810131971051

In [29]: | test\_df = pd.read\_csv('loan\_test.csv')

### **Decision Tree**

```
In [35]: # predicted y
yhat_dt = loanTree.predict(test_X)

# jaccard
jaccard_dt = jaccard_similarity_score(test_y, yhat_dt)
print("DT Jaccard index: ", jaccard_dt)

# f1_score
f1_score_dt = f1_score(test_y, yhat_dt, average='weighted')
print("DT F1-score: ", f1_score_dt)
```

DT Jaccard index: 0.5185185185185 DT F1-score: 0.5385802469135802

### **SVM**

```
In [36]: # predicted y
yhat_svm = clf.predict(test_X)

# jaccard
jaccard_svm = jaccard_similarity_score(test_y, yhat_svm)
print("SVM Jaccard index: ", jaccard_svm)

# f1_score
f1_score_svm = f1_score(test_y, yhat_svm, average='weighted')
print("SVM F1-score: ", f1_score_svm)
```

SVM Jaccard index: 0.8148148148148148 SVM F1-score: 0.7861952861952862

## **Logistic regression**

```
In [38]: # predicted y
         yhat_lg = LR.predict(test_X)
         yhat_lg_prob = LR.predict_proba(test_X)
         # jaccard
         jaccard_lg = jaccard_similarity_score(test_y, yhat_lg)
         print("LR Jaccard index: ", jaccard_lg)
         # f1_score
         f1_score_lg = f1_score(test_y, yhat_lg, average='weighted')
         print("LR F1-score: ", f1_score_lg)
         # Logloss
         logloss_lg = log_loss(test_y, yhat_lg_prob)
         print("LR log loss: ", logloss_lg)
         LR Jaccard index: 0.7407407407407
         LR F1-score: 0.6304176516942475
         LR log loss: 0.6037871272191607
         /opt/conda/envs/Python36/lib/python3.6/site-packages/sklearn/metrics/classification.py:1143: UndefinedMetricWarning:
         F-score is ill-defined and being set to 0.0 in labels with no predicted samples.
           'precision', 'predicted', average, warn_for)
```

# Report

You should be able to report the accuracy of the built model using different evaluation metrics:

Algorithm	Jaccard	F1-score	LogLoss
KNN	0.6851851851851852	0.6453810131971051	NA
Decision Tree	0.5185185185185185	0.5385802469135802	NA
SVM	0.8148148148148148	0.7861952861952862	NA
LogisticRegression	0.7407407407407407	0.6304176516942475	0.6037871272191607

## Want to learn more?

IBM SPSS Modeler is a comprehensive analytics platform that has many machine learning algorithms. It has been designed to bring predictive intelligence to decisions made by individuals, by groups, by systems – by your enterprise as a whole. A free trial is available through this course, available here: <a href="SPSS Modeler">SPSS Modeler</a> (<a href="http://cocl.us/ML0101EN-SPSSModeler">http://cocl.us/ML0101EN-SPSSModeler</a>)

Also, you can use Watson Studio to run these notebooks faster with bigger datasets. Watson Studio is IBM's leading cloud solution for data scientists, built by data scientists. With Jupyter notebooks, RStudio, Apache Spark and popular libraries pre-packaged in the cloud, Watson Studio enables data scientists to collaborate on their projects without having to install anything. Join the fast-growing community of Watson Studio users today with a free account at <a href="Watson Studio">Watson Studio</a> (https://cocl.us/ML0101EN\_DSX)

### Thanks for completing this lesson!

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