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**BATCH- 4 (AIML-NON HONS.)** 

# PREDICTIVE ANALYTICS LAB- 6

#### 1.Definition:

- **Linear Regression**: Predicts a continuous outcome based on the relationship between the dependent variable and one or more independent variables.
  - Example: Predicting house prices based on factors like size, number of rooms, etc.
- Logistic Regression: Predicts a binary or categorical outcome by estimating the probability of a class label.
  - Example: Predicting whether a student will pass or fail an exam based on study hours, attendance, etc.

### 2. Dataset Compatibility:

- **Linear Regression**: Works with continuous numeric data where the target variable is continuous.
  - Scenario: Predicting a car's price based on its features like mileage, horsepower, and age.
- **Logistic Regression**: Works with categorical target variables, typically for classification tasks (binary or multiclass).
  - Scenario: Classifying emails as spam or not spam based on features like word frequency, sender, etc.

## 3. Model:

- **Linear Regression**: The model finds the best-fitting straight line (y = mx + c) that minimizes the sum of squared differences between actual and predicted values (least squares method).
- **Logistic Regression**: The model uses the logistic (sigmoid) function to model probabilities. Instead of a straight line, it maps values to a probability range between 0 and 1.

### **Key Equation:**

• Logistic Regression:  $P(y=1|X)=11+e-(\beta 0+\beta 1X)P(y=1|X) = \frac{1}{1+e^{-(\beta 0+\beta 1X)}}$ X)} $P(y=1|X)=1+e-(\beta 0+\beta 1X)1$ 

#### 4. Validation Metrics:

- Linear Regression:
  - Common metrics: Mean Squared Error (MSE), Root Mean Squared Error (RMSE), and R<sup>2</sup>.
  - Scenario Example: Predicting a company's quarterly revenue based on past data.
- Logistic Regression:
  - Common metrics: Accuracy, Precision, Recall, F1-score, and Area Under the ROC Curve (AUC-ROC).
  - Scenario Example: Predicting customer churn.

#### 5. Visualization:

- **Linear Regression**: Visualization involves plotting the independent variable on the x-axis and the dependent continuous variable on the y-axis. The best-fit straight line (regression line) represents the model's prediction.
  - o **Graph Example**: House price prediction where house size is plotted against house price, showing a line representing the predicted prices.



- **Logistic Regression**: Visualization often involves plotting the sigmoid curve, with probabilities on the y-axis and the predictor variable on the x-axis. ROC curves are also common to assess model performance.
  - Graph Example: Predicting whether a customer will churn based on the number of support calls, where a sigmoid curve maps values to probabilities, and a threshold defines the class boundary.

