Problem 4 (P, 20 Points)

1. (4P) Apply best subset selection to the training set.Generate plots for R2, adjusted R2, Cp, and BIC in dependence of the number of features. What can you observe? Which model would you chose and why? Which features are used in this model? Calculate training and test error measured in MSE for this model.

   Solution. Refer to section 4.1 in the code.

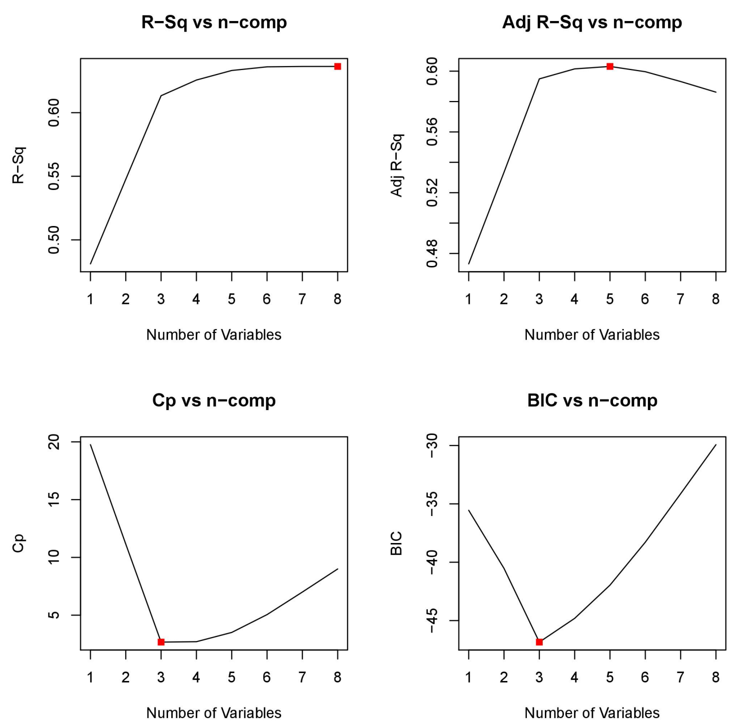

Figure 1: Subset selection plots

In **Figure1** the best model (number of components) for each metric is indicated by red point.

We can see that the R^2 gives the best model with all 8 components while adjusted R^2 suggests model with five components. The problem is that these evaluation metrics are not unbiased and do consider the factor of overfitting. Hence, the other two evaluation metrics, Cp and BIC are unbiased evaluators and they also penalize the model based on number of predictors leading to a simpler model. This is evident since the model suggested by both Cp and BIC are with three components. In conclusion, the model chosen is the one with three features.

The features selected are: **"lcavol", "lweight" and "svi"**.

For the chosen model, the train error is **0.5040965** and the test error is **0.4497825** ■

2. (4P) Fit principal components regression models for M = 1 ,...,8. Plot the train and test error against the number of principal components M. What can you observe?

Solution. Refer to section 4.2 in the code.

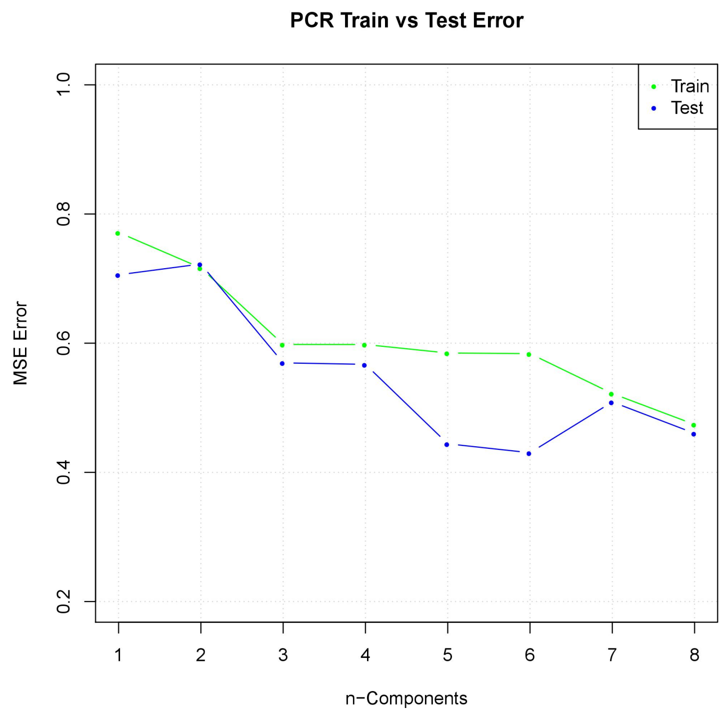

Figure 2: PCR error plots

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We can observe from the **Figure2** that as the number of components increase the corresponding train and test error decreases. This is because the model as the number of components increases the amount of variation captured from original data also increases.

3. (4P) Fit partial least squares models for M = 1,...,8. Plot the train and test error against the number of directions M. What can you observe? Compare to the results you obtained when using PCA.

Solution. Refer to section 4.3 in the code.

We can observe from the **Figure3** that as the number of components increases the error decreases in this case as well similar to PCR. The main difference between the two methods is the loss at initial components. Clearly, the the first three components of PLS capture much more variation in the data than PCR method as the components increase both the methods converge to the same value. Hence, PLS is a better fit than PCR method.

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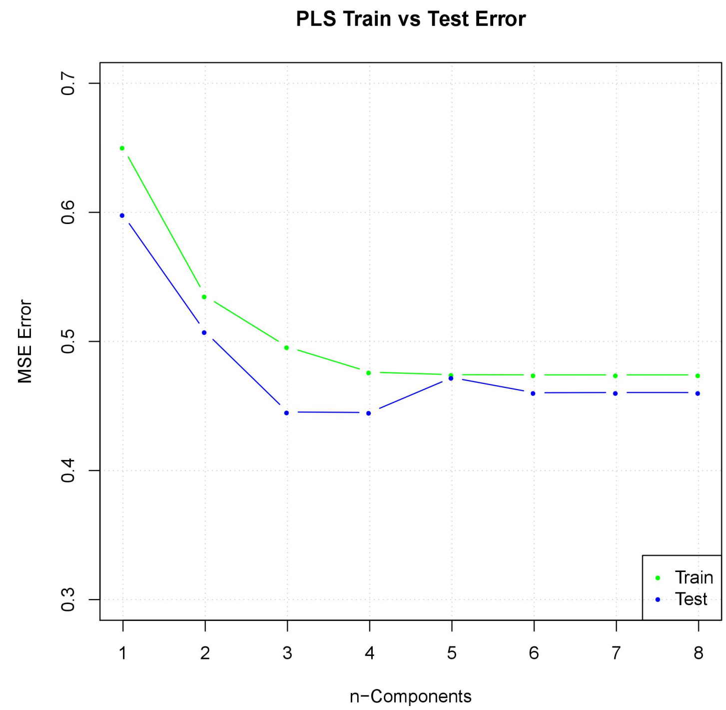
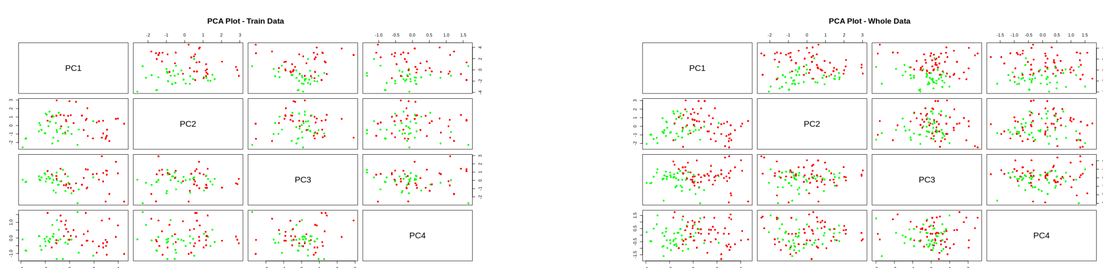


Figure 3: PLS error plots

4. (3P) Visualize the whole data set (combining training and test data) and the training data only projected on the first four principal components (using the scores obtained by PCA). Color the data points according to their lpsa value: Set a threshold at 2.5, all samples with an lpsa below should be colored in one color, all other samples in a different color. What can you observe?

Solution. Refer to section 4.4 in the code.



(a) Train data (b) Test + Train data

Figure 4: PCA plots for first four components

From the **Figure4** it is evident in both train data and the complete data that the PCA components clearly separate the data with the threshold on the response variable *lpsa* >= 2.5. In addition, we can also observe that the first component is very crucial in drawing the decision boundary.

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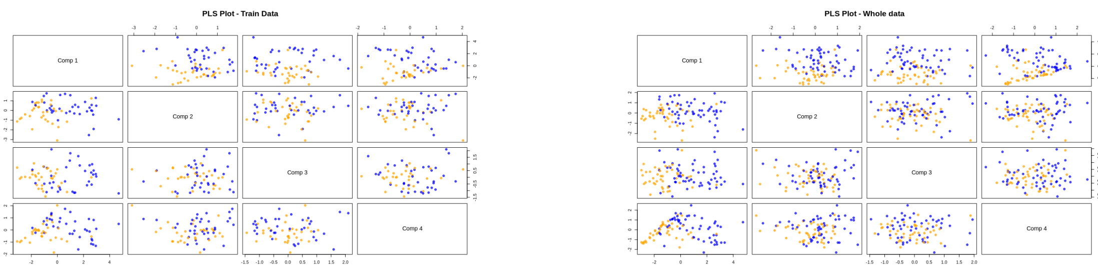
5. 3P) Perform the same visualization task using the first four PLS directions. Compare the resulting plots to the PCA plots.

   Solution. Refer to section 4.5 in the code.

   (a) Train data (b) Test + Train data

   Figure 5: PLS plots for first four components

   From the **Figure5** we can conclude that separation of data based PLS compoenets with *lpsa* thresholding is relatively difficult compared to PCA.

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6. (2P) Explain the role of M in the bias-variance trade-off. Which model would you choose for PCR and PLS, respectively?

   Solution. The number of components in PCA and PLS plays a very important role in data bias-variance trade-off. As the number of components increase, the PCA/ PLS model begins to represent the original least square model and thus becomes more biased. In order to get a unbiased model, we need to use fewer components that capture the data variance sufficiently. By reducing the number of principal components, variance increases.

   For the PCR model from the **Figure2** we can see that the test error is least for n-components equal to six. Unfortunately this model is almost same as using all the components (increasing the chances of a biased model). As an good engineering practice, we can pick the model to the left of the least value and is within the 1-standard error, from this the best model would be with three components.

   For the PLS model, the least error is when the n-components is three. Since the error the left this point is quite high and the model with three components is less complex. This can be chosen as the best model. ■