**HDA Workshop**

**Lab 3 - Data Mining**

**1.** The Excel file *Credit Risk Data* provides a database of information about loan applications along with a classification of ***credit risk*** in column G.

(i) Using the variables ***savings*** and ***months customer*** apply the *k*-NN algorithm to classify the additional record 1-5 and 9 in the file. Use a k value of 5. Summarize your findings.

(ii) Using the variables ***savings*** and ***months customer*** apply discriminant analysis to classify the new data in the file. Summarize your findings.

(iii) Discuss the classification differences between the two methods.