

1. (3 points) k -means algorithm can be used for which of the following?
 - (a) clustering
 - (b) feature engineering
 - (c) All of the above
 - (d) None of the above
2. (3 points) The goal for k -means cost function is to _____ squared error function where error function represents distance between data points and cluster centroid.
 - (a) minimize
 - (b) maximize
 - (c) it depends
 - (d) All of the above
 - (e) None of the above
3. Consider the `customers.csv` datafile. This file contains information related to customers' activity on a company website. Below are the description of the variables.
 - **ID**: customer ID
 - **Visit_Time**: The number of visits to the company's website in a given month.
 - **Average_Expense**: The average amount of money that the customer has spend.
 - **Sex**: gender of the customer (0: female, 1: male).
 - **Age**: age of the customer.

In Python, answer the following:

- (a) (3 points) Using the `pandas` library, read the csv file and create a data-frame called `customers`.
- (b) (3 points) Using the appropriate Python commands, remove the `ID` variable.
- (c) (5 points) Using the appropriate standardization formula, put all the variables on the same scale.
Hint: Notice that `Sex` is a 0-1 variable.
- (d) (6 points) Using the `KMeans` function from the `sklearn.cluster` library, cluster the customers into four clusters. Make sure you use standardized variables as the inputs in the k -means algorithms, append the cluster labels to the `customers` data-frame, and use `n_init = 20` in the `KMeans` function.
- (e) (5 points) Describe each of the clusters from part (d).