

ASSIGNMENT3

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```
ULbank = read.csv("C:\\Users\\rdevi\\Downloads\\UniversalBank.csv")
View(ULbank)
```

```
#loading required libraries
```

```
library(caret)
```

```
## Loading required package: ggplot2
```

```
## Loading required package: lattice
```

```
library(ISLR)
library(e1071)
```

```
#converting variables
```

```
ULbank$Personal.Loan = factor(ULbank$Personal.Loan)
ULbank$Online = factor(ULbank$Online)
ULbank$CreditCard = factor(ULbank$CreditCard)
```

```
set.seed(64060)
```

```
#splitting data into training 60% and validation 40%
```

```
Train_Index = createDataPartition(ULbank$Personal.Loan, p = 0.6, list = FALSE)
Train.df = ULbank[Train_Index,]
Validation.df = ULbank[-Train_Index]
```

```
#Task-A. Create a pivot table for the training data with Online as a column variable, CC as a row variable
```

```
mytable = xtabs(~ CreditCard+Personal.Loan+Online,data = Train.df)
ftable(mytable)
```

```
##               Online    0    1
## CreditCard Personal.Loan
## 0           0           772 1152
##           1           75  120
## 1           0          309  479
##           1           34   59
```

#Task-B.Consider the task of classifying a customer who owns a bank credit card and is actively using o

```
59/(479+59)
```

```
## [1] 0.1096654
```

#Task-C.Create two separate pivot tables for the training data. One will have Loan (rows) as a unctio

```
table(Personal.Loan = Train.df$Personal.Loan, CreditCard = Train.df$CreditCard)
```

```
##           CreditCard
## Personal.Loan    0    1
##           0 1924  788
##           1  195   93
```

```
table(Personal.Loan = Train.df$Personal.Loan, Online = Train.df$Online)
```

```
##           Online
## Personal.Loan    0    1
##           0 1081 1631
##           1  109  179
```

```
table(Personal.Loan = Train.df$Personal.Loan)
```

```
## Personal.Loan
##      0      1
## 2712  288
```

#Task-D.Compute the following quantities $P(A | B)$ means "the probability of A given B":

#1. $P(CC = 1 | Loan = 1)$

```
93/(93+195)
```

```
## [1] 0.3229167
```

#2. $P(Online = 1 | Loan = 1)$

```
179/(179+109)
```

```
## [1] 0.6215278
```

#3. $P(Loan = 1)$

```
288/(288+2712)
```

```
## [1] 0.096
```

```
#4.  $P(CC = 1 \mid Loan = 0)$ 
```

```
788/(788+1924)
```

```
## [1] 0.2905605
```

```
#5  $P(Online = 1 \mid Loan = 0)$ 
```

```
1631/(1631+1081)
```

```
## [1] 0.6014012
```

```
#6  $P(Loan = 0)$ 
```

```
2712/(2712+288)
```

```
## [1] 0.904
```

```
#Task-E. Use the quantities computed above to compute the naive Bayes probability  $P(Loan = 1 \mid CC = 1, Online = 1)$ 
```

```
((0.3229167*0.6215278*0.096)/((0.3229167*0.6215278*0.096)+(0.2905605*0.6014012*0.904))
```

```
## [1] 0.1087106
```

```
# The value obtained from naive Bayes probability is 0.1087106
```

```
#Task-F. Compare this value with the one obtained from the pivot table in (B). Which is a more accurate
```

```
## The value from the pivot table is 0.1096654 and the naive Bayes probability is 0.1087106 and these values are
```

```
#Task-G. Which of the entries in this table are needed for computing  $P(Loan = 1 \mid CC = 1, Online = 1)$ ? R
```

```
nb.model = naiveBayes(Personal.Loan~CreditCard+Online, data = Train.df)
To_Predict = data.frame(CreditCard = 1 , Online = 1)
predict(nb.model, To_Predict, type = 'raw')
```

```
## Warning in predict.naiveBayes(nb.model, To_Predict, type = "raw"): Type mismatch
## between training and new data for variable 'CreditCard'. Did you use factors
## with numeric labels for training, and numeric values for new data?
```

```
## Warning in predict.naiveBayes(nb.model, To_Predict, type = "raw"): Type mismatch
## between training and new data for variable 'Online'. Did you use factors with
## numeric labels for training, and numeric values for new data?
```

```
##           0           1
## [1,] 0.9153656 0.08463445
```