

```
In [1]:  import numpy as np
import pandas as pd
import matplotlib.pyplot as plt
```

```
In [2]:  dataset = pd.read_csv(r'C:\Users\hp\OneDrive\Documents\Desktop\Investment.
```

```
In [3]:  x = dataset.iloc[:, :-1]

y = dataset.iloc[:,4]
```

```
In [4]:  x = pd.get_dummies(x)
```

```
In [5]:  from sklearn.model_selection import train_test_split
x_train, x_test, y_train, y_test = train_test_split(x, y, test_size = 0.2,
```

```
In [6]:  from sklearn.linear_model import LinearRegression
```

```
In [24]: regressor = LinearRegression()
```

```
In [25]: regressor.fit(x_train, y_train)
```

```
Out[25]:  LinearRegression
LinearRegression()
```

```
In [9]:  y_pred = regressor.predict(x_test)
```

```
In [10]: slope = regressor.coef_
slope
```

```
Out[10]: array([ 7.73467193e-01,  3.28845975e-02,  3.66100259e-02,  8.66383692e+0
1,
               -8.72645791e+02,  7.86007422e+02])
```

```
In [11]: ▶ cons = regressor.intercept_  
cons
```

```
Out[11]: 42467.52924855311
```

```
In [12]: ▶ bias = regressor.score(x_train, y_train)  
bias
```

```
Out[12]: 0.9501847627493607
```

```
In [13]: ▶ variance = regressor.score(x_test, y_test)  
variance
```

```
Out[13]: 0.9347068473282424
```

We built the model so far

```
In [14]: ▶ import statsmodels.formula.api as sm
```

```
In [15]: ▶ x = np.append(arr = np.ones((50,1)).astype(int), values = x, axis = 1)
```

```
In [16]: ▶ import statsmodels.api as sm  
  
x_opt = x[:,[0,1,2,3,4,5]]
```

OrdinaryLeast sequares

```
In [18]: regressor_OLS = sm.OLS(endog=y, exog=x_opt).fit()

regressor_OLS.summary()
```

Out[18]: OLS Regression Results

Dep. Variable:	Profit	R-squared:	0.951
Model:	OLS	Adj. R-squared:	0.945
Method:	Least Squares	F-statistic:	169.9
Date:	Wed, 16 Aug 2023	Prob (F-statistic):	1.34e-27
Time:	12:35:27	Log-Likelihood:	-525.38
No. Observations:	50	AIC:	1063.
Df Residuals:	44	BIC:	1074.
Df Model:	5		
Covariance Type:	nonrobust		

	coef	std err	t	P> t	[0.025	0.975]
const	5.008e+04	6952.587	7.204	0.000	3.61e+04	6.41e+04
x1	0.8060	0.046	17.369	0.000	0.712	0.900
x2	-0.0270	0.052	-0.517	0.608	-0.132	0.078
x3	0.0270	0.017	1.574	0.123	-0.008	0.062
x4	41.8870	3256.039	0.013	0.990	-6520.229	6604.003
x5	240.6758	3338.857	0.072	0.943	-6488.349	6969.701

Omnibus:	14.782	Durbin-Watson:	1.283
Prob(Omnibus):	0.001	Jarque-Bera (JB):	21.266
Skew:	-0.948	Prob(JB):	2.41e-05
Kurtosis:	5.572	Cond. No.	1.47e+06

Notes:

[1] Standard Errors assume that the covariance matrix of the errors is correctly specified.

[2] The condition number is large, 1.47e+06. This might indicate that there are strong multicollinearity or other numerical problems.

```
In [19]: import statsmodels.api as sm

x_opt = x[:, [0,1,2,3]]
```

OrdinaryleastSquares

```
In [20]: regressor_OLS = sm.OLS(endog=y, exog=x_opt).fit()

regressor_OLS.summary()
```

Out[20]: OLS Regression Results

Dep. Variable:	Profit	R-squared:	0.951
Model:	OLS	Adj. R-squared:	0.948
Method:	Least Squares	F-statistic:	296.0
Date:	Wed, 16 Aug 2023	Prob (F-statistic):	4.53e-30
Time:	12:36:00	Log-Likelihood:	-525.39
No. Observations:	50	AIC:	1059.
Df Residuals:	46	BIC:	1066.
Df Model:	3		
Covariance Type:	nonrobust		

	coef	std err	t	P> t	[0.025	0.975]
const	5.012e+04	6572.353	7.626	0.000	3.69e+04	6.34e+04
x1	0.8057	0.045	17.846	0.000	0.715	0.897
x2	-0.0268	0.051	-0.526	0.602	-0.130	0.076
x3	0.0272	0.016	1.655	0.105	-0.006	0.060

Omnibus:	14.838	Durbin-Watson:	1.282
Prob(Omnibus):	0.001	Jarque-Bera (JB):	21.442
Skew:	-0.949	Prob(JB):	2.21e-05
Kurtosis:	5.586	Cond. No.	1.40e+06

Notes:

[1] Standard Errors assume that the covariance matrix of the errors is correctly specified.

[2] The condition number is large, 1.4e+06. This might indicate that there are strong multicollinearity or other numerical problems.

```
In [21]: x_opt = x[:, [0,1]]
regressor_OLS = sm.OLS(endog=y, exog=x_opt).fit()
regressor_OLS.summary()
```

Out[21]: OLS Regression Results

Dep. Variable:	Profit	R-squared:	0.947
Model:	OLS	Adj. R-squared:	0.945
Method:	Least Squares	F-statistic:	849.8
Date:	Wed, 16 Aug 2023	Prob (F-statistic):	3.50e-32
Time:	12:36:23	Log-Likelihood:	-527.44
No. Observations:	50	AIC:	1059.
Df Residuals:	48	BIC:	1063.
Df Model:	1		
Covariance Type:	nonrobust		

	coef	std err	t	P> t	[0.025	0.975]
const	4.903e+04	2537.897	19.320	0.000	4.39e+04	5.41e+04
x1	0.8543	0.029	29.151	0.000	0.795	0.913

Omnibus:	13.727	Durbin-Watson:	1.116
Prob(Omnibus):	0.001	Jarque-Bera (JB):	18.536
Skew:	-0.911	Prob(JB):	9.44e-05
Kurtosis:	5.361	Cond. No.	1.65e+05

Notes:

[1] Standard Errors assume that the covariance matrix of the errors is correctly specified.

[2] The condition number is large, 1.65e+05. This might indicate that there are strong multicollinearity or other numerical problems.

In []: