

**Dollar Cost minimization & Recommendations**

**Requirement:** It is required that the dollar cost be minimized as part of model development, where cost associated for misclassification is defined as:

* False negative cost = $500
* False positive cost = $10
* True positive or true negative cost = $0

**Observations**

KNN minimizes dollar cost for following misclassification error rates, and accuracy:

* FNR = 0.5%
* FPR = 78.1%
* Accuracy = 53.1%