### **Imoprting Required Libraries**

```
import pandas as pd
import numpy as np
import seaborn as sns
from matplotlib import pyplot as plt
from statsmodels.graphics.regressionplots import influence_plot
import statsmodels.formula.api as smf
import statsmodels.api as sm
```

### Impoting data

```
In [2]:
   toyota = pd.read_excel("Toyota.xlsx")
   toyota
```

t[2]:		Id	Model	Price	Age_08_04	Mfg_Month	Mfg_Year	KM	Fuel_Type	НР	Met_Color
	0	1	TOYOTA Corolla 2.0 D4D HATCHB TERRA 2/3- Doors	13500	23	10	2002	46986	Diesel	90.0	1
	1	2	TOYOTA Corolla 2.0 D4D HATCHB TERRA 2/3- Doors	13750	23	10	2002	72937	Diesel	90.0	1
	2	3	TOYOTA Corolla 2.0 D4D HATCHB TERRA 2/3- Doors	13950	24	9	2002	41711	Diesel	90.0	1
	3	4	TOYOTA Corolla 2.0 D4D HATCHB TERRA 2/3- Doors	14950	26	7	2002	48000	Diesel	90.0	C
	4	5	TOYOTA Corolla 2.0 D4D HATCHB SOL 2/3- Doors	13750	30	3	2002	38500	Diesel	90.0	С
	•••										

	Id	Model	Price	Age_08_04	Mfg_Month	Mfg_Year	KM	Fuel_Type	НР	Met_Color
1431	1438	TOYOTA Corolla 1.3 16V HATCHB G6 2/3- Doors	7500	69	12	1998	20544	Petrol	86.0	1
1432	1439	TOYOTA Corolla 1.3 16V HATCHB LINEA TERRA 2/3	10845	72	9	1998	19000	Petrol	86.0	C
1433	1440	TOYOTA Corolla 1.3 16V HATCHB LINEA TERRA 2/3	8500	71	10	1998	17016	Petrol	86.0	С
1434	1441	TOYOTA Corolla 1.3 16V HATCHB LINEA TERRA 2/3	7250	70	11	1998	16916	Petrol	86.0	1
1435	1442	TOYOTA Corolla 1.6 LB LINEA TERRA 4/5- Doors	6950	76	5	1998	1	Petrol	110.0	C
1436 r	rows ×	38 colum	nns							

**Data Understanding** 

```
In [3]:
         toyota.shape
Out[3]: (1436, 38)
In [4]:
         toyota.isna().sum()
Out[4]: Id
                             0
        Model
                             0
         Price
                             0
         Age_08_04
                             0
        Mfg_Month
                             0
         Mfg_Year
                             0
         KM
                             0
                             0
         Fuel_Type
```

```
Met_Color
                    0
Color
                    0
Automatic
                    0
                    0
\mathsf{CC}
Doors
                    0
Cylinders
                    0
Gears
                    0
Quarterly_Tax
                    0
Weight
                    0
                    0
Mfr_Guarantee
BOVAG_Guarantee
                    0
Guarantee_Period
                    0
ABS
                    0
Airbag_1
                    0
Airbag_2
                    0
Airco
                    0
                    0
Automatic_airco
Boardcomputer
                    0
CD_Player
                    0
Central_Lock
                    0
Powered_Windows
                    0
Power_Steering
                    0
Radio
                    0
Mistlamps
                    0
                    0
Sport_Model
Backseat_Divider
                    0
Metallic_Rim
                    0
Radio_cassette
                    0
Tow_Bar
                    0
dtype: int64
```

#### In [5]:

#### toyota.info()

<class 'pandas.core.frame.DataFrame'>
RangeIndex: 1436 entries, 0 to 1435
Data columns (total 38 columns):

#	Column	Non-Null Count	Dtype
0	Id	1436 non-null	int64
1	Model	1436 non-null	object
2	Price	1436 non-null	int64
3	Age_08_04	1436 non-null	int64
4	Mfg_Month	1436 non-null	int64
5	Mfg_Year	1436 non-null	int64
6	KM	1436 non-null	int64
7	Fuel_Type	1436 non-null	object
8	HP	1434 non-null	float64
9	Met_Color	1436 non-null	int64
10	Color	1436 non-null	object
11	Automatic	1436 non-null	int64
12	CC	1436 non-null	int64
13	Doors	1436 non-null	int64
14	Cylinders	1436 non-null	int64
15	Gears	1436 non-null	int64
16	Quarterly_Tax	1436 non-null	
17	Weight	1436 non-null	int64
18	Mfr_Guarantee	1436 non-null	int64
19	BOVAG_Guarantee	1436 non-null	int64
20	Guarantee_Period	1436 non-null	int64
21	ABS	1436 non-null	int64
22	Airbag_1	1436 non-null	int64
23	Airbag_2	1436 non-null	int64
24	Airco	1436 non-null	int64
25	Automatic_airco	1436 non-null	int64
26	Boardcomputer	1436 non-null	int64
27	CD_Player	1436 non-null	int64
28	Central_Lock	1436 non-null	int64
29	Powered_Windows	1436 non-null	int64

```
30 Power_Steering
                    1436 non-null
                                   int64
31 Radio
                    1436 non-null
                                   int64
32 Mistlamps
                                   int64
                    1436 non-null
33 Sport_Model
                    1436 non-null
                                   int64
34 Backseat_Divider 1436 non-null
                                  int64
35 Metallic_Rim
                    1436 non-null
                                  int64
36 Radio_cassette
                    1436 non-null
                                  int64
37 Tow_Bar
                    1436 non-null
                                   int64
```

dtypes: float64(1), int64(34), object(3)

memory usage: 426.4+ KB

In [6]: toyota=pd.concat([toyota.iloc[:,2:4],toyota.iloc[:,6:7],toyota.iloc[:,8:9],toyota.il toyota

Out[6]:		Price	Age_08_04	KM	НР	сс	Doors	Gears	Quarterly_Tax	Weight
	0	13500	23	46986	90.0	2000	3	5	210	1165
	1	13750	23	72937	90.0	2000	3	5	210	1165
	2	13950	24	41711	90.0	2000	3	5	210	1165
	3	14950	26	48000	90.0	2000	3	5	210	1165
	4	13750	30	38500	90.0	2000	3	5	210	1170
	•••									
	1431	7500	69	20544	86.0	1300	3	5	69	1025
	1432	10845	72	19000	86.0	1300	3	5	69	1015
	1433	8500	71	17016	86.0	1300	0000       3       5       210         0000       3       5       210         0000       3       5       210         000       3       5       210               300       3       5       69         300       3       5       69         300       3       5       69         300       3       5       69         300       3       5       69         300       3       5       69	1015		
1433 1433 1434		7250	70	16916	86.0	1300	3	5	69	1015
	1435	6950	76	1	110.0	1600	5	5	19	1114

1436 rows × 9 columns

In [7]: toyota = toyota.rename({'Age\_08\_04' : 'Age' , 'cc' : 'CC', 'Quarterly\_Tax':'QT'},axis toyota

Out[7]:		Price	Age	КМ	НР	СС	Doors	Gears	QT	Weight
	0	13500	23	46986	90.0	2000	3	5	210	1165
	1	13750	23	72937	90.0	2000	3	5	210	1165
	2	13950	24	41711	90.0	2000	3	5	210	1165
	3	14950	26	48000	90.0	2000	3	5	210	1165
	4	13750	30	38500	90.0	2000	3	5	210	1170
	•••									
	1431	7500	69	20544	86.0	1300	3	5	69	1025
	1432	10845	72	19000	86.0	1300	3	5	69	1015
	1433	8500	71	17016	86.0	1300	3	5	69	1015
	1434	7250	70	16916	86.0	1300	3	5	69	1015
	1435	6950	76	1	110.0	1600	5	5	19	1114

1436 rows × 9 columns

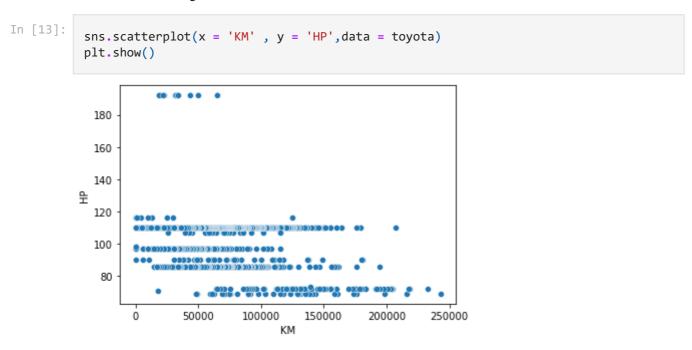
```
In [8]:
            toyota[toyota.duplicated()]
 Out[8]:
                 Price
                      Age
                                KM
                                       HP
                                             CC Doors
                                                         Gears
                                                                 QT
                                                                     Weight
                            13253 116.0
                                           2000
           113 24950
                          8
                                                      5
                                                             5
                                                                234
                                                                        1320
 In [9]:
            toyota = toyota.drop_duplicates().reset_index(drop = True)
            toyota
                                        HP
 Out[9]:
                  Price
                         Age
                                 KM
                                              CC Doors Gears
                                                                  QT Weight
              0 13500
                          23
                              46986
                                       90.0
                                            2000
                                                       3
                                                              5
                                                                 210
                                                                         1165
                 13750
                          23
                              72937
                                       90.0
                                            2000
                                                       3
                                                                 210
                                                                         1165
                 13950
                          24
                              41711
                                       90.0
                                            2000
                                                       3
                                                              5
                                                                 210
                                                                         1165
                 14950
                          26
                             48000
                                       90.0
                                            2000
                                                       3
                                                              5
                                                                 210
                                                                         1165
                                                       3
                                                              5
                 13750
                          30
                              38500
                                       90.0
                                            2000
                                                                 210
                                                                         1170
           1430
                  7500
                          69
                              20544
                                       86.0
                                            1300
                                                       3
                                                              5
                                                                   69
                                                                         1025
           1431
                 10845
                          72
                              19000
                                       86.0
                                            1300
                                                              5
                                                                   69
                                                                         1015
           1432
                  8500
                              17016
                                       86.0
                                            1300
                          71
                                                       3
                                                              5
                                                                   69
                                                                         1015
           1433
                  7250
                          70
                              16916
                                       86.0
                                            1300
                                                              5
                                                                   69
                                                                         1015
           1434
                  6950
                          76
                                      110.0
                                            1600
                                                       5
                                                              5
                                                                   19
                                   1
                                                                         1114
          1435 rows × 9 columns
In [10]:
            toyota.describe()
Out[10]:
                          Price
                                                       KM
                                                                     HP
                                                                                   CC
                                                                                             Doors
                                                                                                           Gea
                                        Age
                   1435.000000
                                1435.000000
                                                                           1435.000000
                                                                                        1435.000000
           count
                                                1435.000000
                                                             1433.000000
                                                                                                     1435.0000
                  10720.915679
           mean
                                   55.980488
                                               68571.782578
                                                              101.503140
                                                                           1576.560976
                                                                                           4.032753
                                                                                                        5.0264
                   3608.732978
                                               37491.094553
                                                               14.988316
                                                                                           0.952667
                                                                                                        0.1885
             std
                                   18.563312
                                                                            424.387533
                                   1.000000
                                                               69.000000
                                                                                           2.000000
                                                                                                        3.0000
             min
                   4350.000000
                                                   1.000000
                                                                           1300.000000
            25%
                   8450.000000
                                   44.000000
                                              43000.000000
                                                               90.000000
                                                                           1400.000000
                                                                                           3.000000
                                                                                                        5.0000
            50%
                   9900.000000
                                   61.000000
                                                              110.000000
                                                                                           4.000000
                                              63451.000000
                                                                           1600.000000
                                                                                                        5.0000
            75%
                  11950.000000
                                   70.000000
                                              87041.500000
                                                              110.000000
                                                                           1600.000000
                                                                                           5.000000
                                                                                                        5.0000
                  32500.000000
                                   80.000000
                                             243000.000000
                                                              192.000000
                                                                          16000.000000
                                                                                           5.000000
                                                                                                        6.0000
            max
In [11]:
            toyota.corr()##correlation matrix
```

Out[11]:

		Price	Age	KM	НР	СС	Doors	Gears	QT	Wei
	Price	1.000000	-0.876273	-0.569420	0.316412	0.124375	0.183604	0.063831	0.211508	0.575
	Age	-0.876273	1.000000	0.504575	-0.156549	-0.096549	-0.146929	-0.005629	-0.193319	-0.466
	KM	-0.569420	0.504575	1.000000	-0.333279	0.103822	-0.035193	0.014890	0.283312	-0.023
	НР	0.316412	-0.156549	-0.333279	1.000000	0.035677	0.091091	0.209590	-0.301712	0.089
	СС	0.124375	-0.096549	0.103822	0.035677	1.000000	0.079254	0.014732	0.305982	0.335
	Doors	0.183604	-0.146929	-0.035193	0.091091	0.079254	1.000000	-0.160101	0.107353	0.301
	Gears	0.063831	-0.005629	0.014890	0.209590	0.014732	-0.160101	1.000000	-0.005125	0.021
	QT	0.211508	-0.193319	0.283312	-0.301712	0.305982	0.107353	-0.005125	1.000000	0.621
	Weight	0.575869	-0.466484	-0.023969	0.089396	0.335077	0.301734	0.021238	0.621988	1.000
	<									>
In [12]:	toyota	.dtypes								
Out[12]:	Price Age KM HP CC Doors Gears QT Weight dtype:	inte inte inte floate inte inte inte inte	54 54 54 54 54 54							

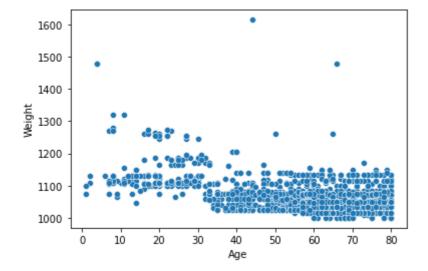
## Check weather the assumptions are matching or not

### 1:Linearity Check

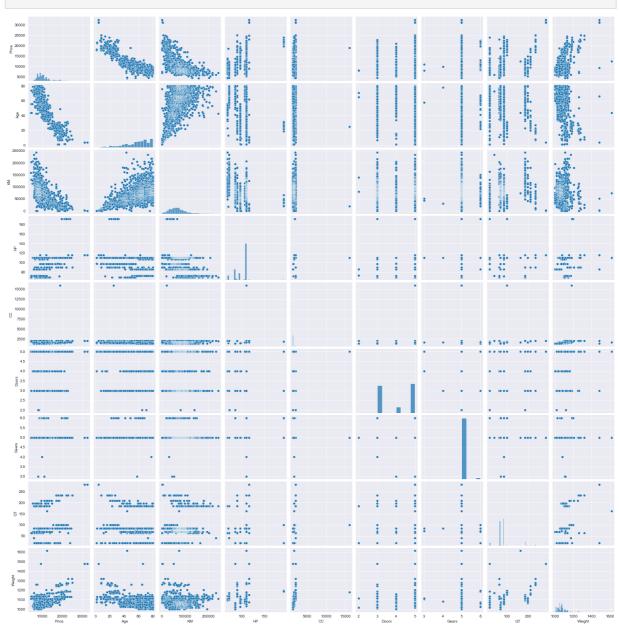


In [14]:

```
sns.scatterplot(x = 'Age' , y = 'Weight',data = toyota)
plt.show()
```



In [15]:
 sns.set\_style(style = 'darkgrid')
 sns.pairplot(toyota)
 plt.show()



### **Model Building**

```
In [16]:
    linear_model = smf.ols(formula = 'Price~Age+Age+KM+HP+CC+Doors+Gears+QT+Weight',data
    linear_model
```

Out[16]: <statsmodels.regression.linear\_model.RegressionResultsWrapper at 0x20f4062ac40>

### **Model Testing**

```
In [17]:
          linear_model.params
         Intercept
                    -5408.896028
Out[17]:
                      -121.698872
         ΚM
                        -0.020712
         HP
                       31.664670
         CC
                       -0.117027
         Doors
                        3.236899
         Gears
                      601.694789
         QΤ
                        3.832667
         Weight
                        16.749870
         dtype: float64
In [18]:
          linear_model.tvalues,np.round(linear_model.pvalues,5)
         (Intercept
                       -3.828972
Out[18]:
                      -46.547581
          Age
          ΚM
                      -16.532785
          HP
                       11.237564
          CC
                       -1.299556
          Doors
                        0.080783
                       3.055055
          Gears
                        2.923987
          Weight
                       15.633974
          dtype: float64,
          Intercept
                       0.00013
          Age
                       0.00000
          ΚM
                       0.00000
          HP
                       0.00000
          CC
                       0.19396
          Doors
                       0.93563
          Gears
                       0.00229
                       0.00351
          QΤ
          Weight
                       0.00000
          dtype: float64)
In [19]:
          linear_model.rsquared,linear_model.rsquared_adj
         (0.8621154742183653, 0.8613408420510528)
Out[19]:
In [20]:
          ####'CC' & 'Doors' are insignificant variables so i will build the slr and mlr model
          slr_cc = smf.ols(formula = 'Price~CC', data = toyota).fit()
          slr_cc
         <statsmodels.regression.linear_model.RegressionResultsWrapper at 0x20f40765130>
In [21]:
          ## CC has significant pvalue
```

```
slr_cc.tvalues,slr_cc.pvalues
         (Intercept
                       24.879592
Out[21]:
                       4.745039
          dtype: float64,
          Intercept 7.236022e-114
                        2.292856e-06
          dtype: float64)
In [22]:
          slr_d = smf.ols(formula = 'Price~Doors',data = toyota).fit()
          slr_d
         <statsmodels.regression.linear_model.RegressionResultsWrapper at 0x20f40731340>
Out[22]:
In [23]:
          slr_d.tvalues,slr_d.pvalues
Out[23]: (Intercept
                       19.421546
          Doors
                        7.070520
          dtype: float64,
          Intercept 8.976407e-75
          Doors
                       2.404166e-12
          dtype: float64)
In [24]:
          mlr_cc_d = smf.ols(formula = 'Price~CC+Doors',data = toyota).fit()
          mlr_cc_d
Out[24]:
         <statsmodels.regression.linear_model.RegressionResultsWrapper at 0x20f4076b040>
In [25]:
          mlr_cc_d.tvalues,mlr_cc_d.pvalues
Out[25]: (Intercept
                       12.786341
          CC
                       4.268006
          Doors
                       6.752236
          dtype: float64,
          Intercept 1.580945e-35
                       2.101878e-05
          Doors
                      2.109558e-11
          dtype: float64)
```

### **Model Validation Techniques**

### Two Techniques:

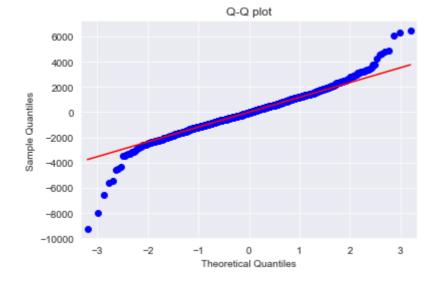
- 1. Collinearity Check &
- 2. Residual Analysis
- 1) Collinearity Problem Check

## Calculate VIF = 1/(1-Rsquare) for all independent variables

```
In [26]:
          ##for Age~Km
          rsq_age = smf.ols(formula = 'Age~KM+HP+CC+Doors+Gears+QT+Weight',data = toyota).fit(
          vif_age = 1/(1-rsq_age)
          ##for KM~Age
          rsq km = smf.ols(formula = 'KM~Age+HP+CC+Doors+Gears+OT+Weight',data = toyota ).fit(
          vif_km = 1/(1-rsq_km)
          ##for HP~Age
          rsq_hp = smf.ols(formula = 'HP~Age+KM+CC+Doors+Gears+QT+Weight',data = toyota).fit()
          vif_hp = 1/(1-rsq_hp)
          ##for CC~Age
          rsq_cc = smf.ols(formula = 'CC~Age+HP+KM+Doors+Gears+QT+Weight',data = toyota).fit()
          vif_cc = 1/(1-rsq_cc)
          ##for Doors~Age
          rsq d = smf.ols(formula = 'Doors~Age+HP+KM+CC+Gears+OT+Weight',data = toyota).fit().
          vif_d = 1/(1-rsq_d)
          ##for Gears~Age
          rsq_gr = smf.ols(formula = 'Gears~Age+HP+KM+CC+Doors+QT+Weight',data = toyota).fit()
          vif_gr = 1/(1-rsq_gr)
          ##for QT~Age
          rsq_qt = smf.ols(formula = 'QT~Age+HP+KM+CC+Doors+Gears+Weight',data = toyota).fit()
          vif_qt = 1/(1-rsq_qt)
          ##for Weight~Age
          rsq_w = smf.ols(formula = 'Weight~Age+HP+KM+CC+Doors+Gears+QT',data = toyota).fit().
          vif_w = 1/(1-rsq_w)
In [27]:
          ### dataframe formate
          new_data = {'Variabels' : ['Age','Hp','KM','CC','Doors','QT','Gears','Weight'],
                 'Vif' : [vif_age,vif_km,vif_hp,vif_cc,vif_d,vif_gr,vif_qt,vif_w]}
          vif data = pd.DataFrame(new data)
          vif_data
            Variabels
                          Vif
Out[27]:
         0
                Age 1.872029
         1
                 Hp 1.755990
         2
                 KM 1.419154
                 CC 1.162724
         3
         4
               Doors 1.159067
         5
                 QT 1.098992
         6
               Gears 2.282157
         7
              Weight 2.477432
```

### 2) Residual Analysis

```
In [28]:
    sm.qqplot(linear_model.resid,line = 'q')
    plt.title('Q-Q plot')
    plt.show()
```



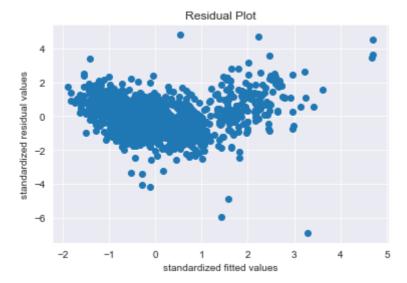
```
In [29]: list(np.where(linear_model.resid>6000))
Out[29]: [array([107, 144, 520], dtype=int64)]
In [30]: list(np.where(linear_model.resid<-6000))
Out[30]: [array([218, 598, 957], dtype=int64)]</pre>
```

### Testing for Homoscedasticity or

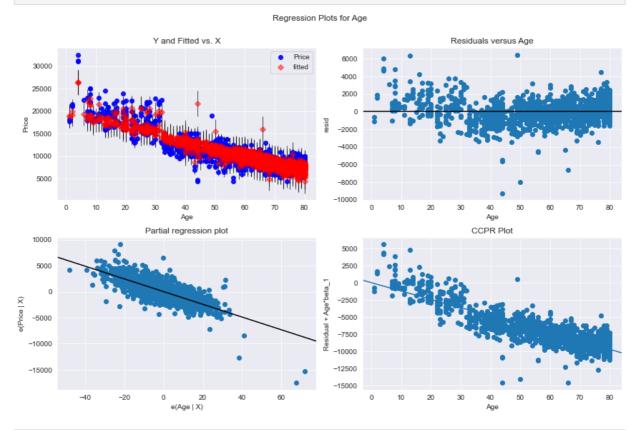
### Heteroscedasticity

```
In [31]: def standard_values(vals):
    return(vals-vals.mean())/vals.std()

In [34]: plt.scatter(standard_values(linear_model.fittedvalues),standard_values(linear_model.
    plt.title('Residual Plot')
    plt.xlabel('standardized fitted values')
    plt.ylabel('standardized residual values')
    plt.show()
```

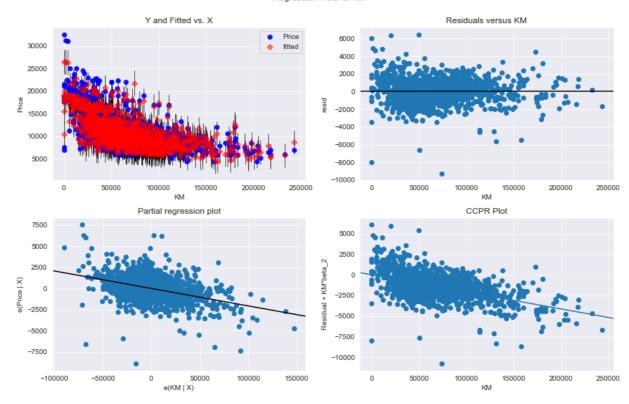


In [35]: ### Test for errors or Residuals Vs Regressors or independent 'x' variables or predi
fig = plt.figure(figsize = (12,8))
sm.graphics.plot\_regress\_exog(linear\_model, 'Age', fig = fig)
plt.show()

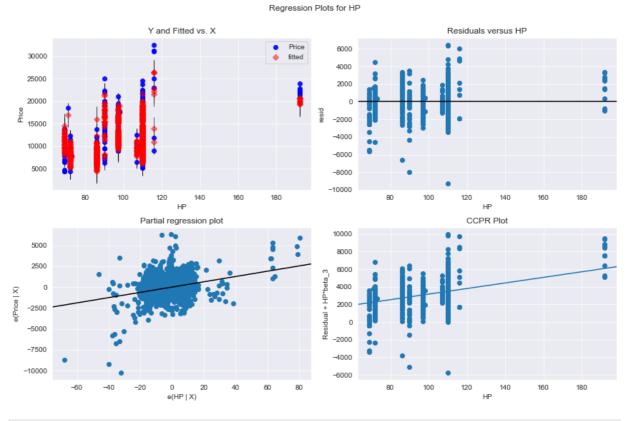


In [36]:
 fig = plt.figure(figsize = (12,8))
 sm.graphics.plot\_regress\_exog(linear\_model,'KM',fig = fig)
 plt.show()

Regression Plots for KM

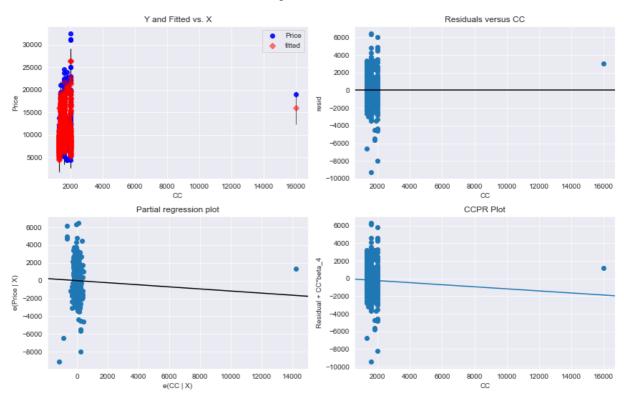


In [37]:
 fig = plt.figure(figsize = (12,8))
 sm.graphics.plot\_regress\_exog(linear\_model, 'HP', fig = fig)
 plt.show()

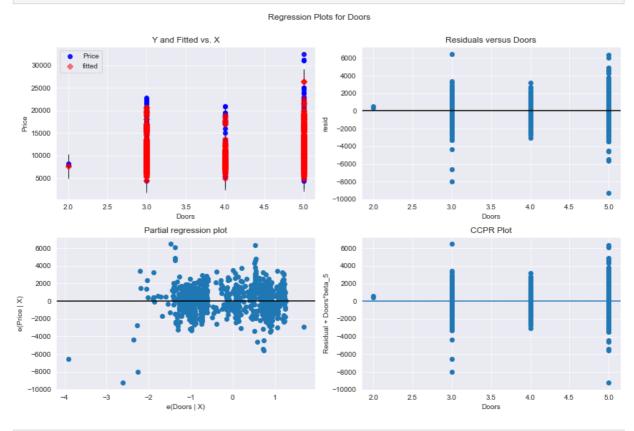


```
In [38]:
    fig = plt.figure(figsize = (12,8))
    sm.graphics.plot_regress_exog(linear_model,'CC',fig = fig)
    plt.show()
```

Regression Plots for CC

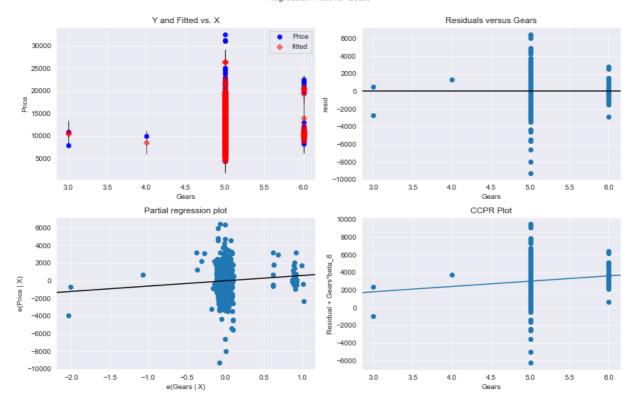


In [39]:
 fig = plt.figure(figsize = (12,8))
 sm.graphics.plot\_regress\_exog(linear\_model,'Doors',fig = fig)
 plt.show()

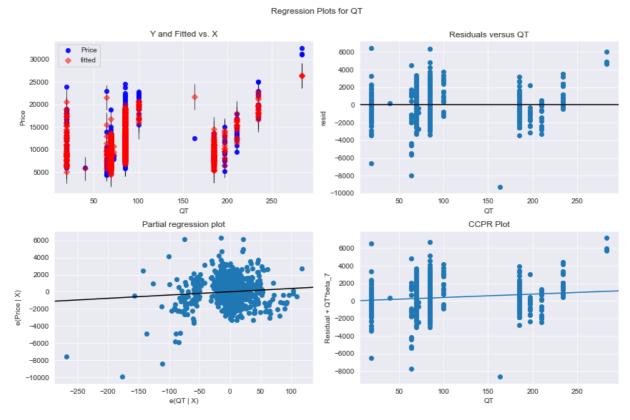


```
In [40]:
    fig = plt.figure(figsize = (12,8))
    sm.graphics.plot_regress_exog(linear_model,'Gears',fig = fig)
    plt.show()
```

Regression Plots for Gears







# Model Deletion Diagnostics (checking Outliers or Influencers)

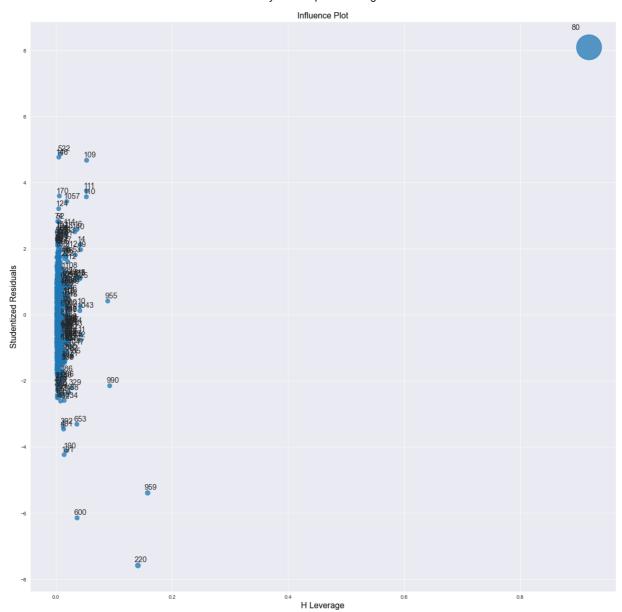
### Two Techniques: 1. Cook's Distance &

### 2. Leverage value

### 1. Cook's Distance:

### If Cook's distance > 1, then it's an outlier

```
In [42]:
          (c,_) = linear_model.get_influence().cooks_distance
Out[42]: array([7.20019747e-03, 3.91974773e-03, 5.41359424e-03, ...,
                9.01816675e-07, 6.97884848e-04, 1.08368316e-02])
In [60]:
          # Plotting the influencers using the stem plot
          # fig=plt.figure(figsize=(20,7))
          # plt.stem(np.arange(len(toyo4)),np.round(c,3))
          # plt.xlabel('Row Index')
          # plt.ylabel('Cooks Distance')
          # plt.show()
In [61]:
          np.argmax(c) , np.max(c)
Out[61]: (78, 78.32370087585271)
In [63]:
          # 2. Leverage Value using High Influence Points: Points beyond Leverage_cutoff value
          fig,ax=plt.subplots(figsize=(20,20))
          fig=influence_plot(linear_model,ax = ax)
```



```
In [65]:
### Leverage Cuttoff Value = 3*(k+1)/n; k = no.of features/columns & n = no. of dat
k=toyota.shape[1]
n=toyota.shape[0]
leverage_cutoff = (3*(k+1))/n
leverage_cutoff
```

Out[65]: 0.020905923344947737

In [66]: toyota[toyota.index.isin([80])]

Out[66]: Price Age KM HP CC Doors Gears QT Weight

80 18950 25 20019 110.0 16000 5 5 100 1180

In [67]:
#### Improving the Model
#### Creating a copy of data so that original dataset is not affected
toyota\_new=toyota.copy()
toyota\_new

Out[67]: Price Age KM HP CC Doors Gears QT Weight

	Price	Age	KM	HP	CC	Doors	Gears	QT	Weight
0	13500	23	46986	90.0	2000	3	5	210	1165
1	13750	23	72937	90.0	2000	3	5	210	1165
2	13950	24	41711	90.0	2000	3	5	210	1165
3	14950	26	48000	90.0	2000	3	5	210	1165
4	13750	30	38500	90.0	2000	3	5	210	1170
•••									
1430	7500	69	20544	86.0	1300	3	5	69	1025
1431	10845	72	19000	86.0	1300	3	5	69	1015
1432	8500	71	17016	86.0	1300	3	5	69	1015
1433	7250	70	16916	86.0	1300	3	5	69	1015
1434	6950	76	1	110.0	1600	5	5	19	1114

1435 rows × 9 columns

In [68]:
#### Discard the data points which are influencers and reassign the row number (rese
toyota=toyota\_new.drop(toyota\_new.index[[80]],axis=0).reset\_index(drop=True)
toyota

Out[68]:		Price	Age	KM	HP	CC	Doors	Gears	QT	Weight
	0	13500	23	46986	90.0	2000	3	5	210	1165
	1	13750	23	72937	90.0	2000	3	5	210	1165
	2	13950	24	41711	90.0	2000	3	5	210	1165
	3	14950	26	48000	90.0	2000	3	5	210	1165
	4	13750	30	38500	90.0	2000	3	5	210	1170
	•••									
	1429	7500	69	20544	86.0	1300	3	5	69	1025
	1430	10845	72	19000	86.0	1300	3	5	69	1015
	1431	8500	71	17016	86.0	1300	3	5	69	1015
	1432	7250	70	16916	86.0	1300	3	5	69	1015
	1433	6950	76	1	110.0	1600	5	5	19	1114

1434 rows × 9 columns

```
In [69]:
# Model Deletion Diagnostics and Final Model
while np.max(c)>0.5 :
    model=smf.ols('Price~Age+KM+HP+CC+Doors+Gears+QT+Weight',data=toyota).fit()
    (c,_)=model.get_influence().cooks_distance
    c
    np.argmax(c) , np.max(c)
    toyota=toyota.drop(toyota.index[[np.argmax(c)]],axis=0).reset_index(drop=True)
    toyota
else:
    final_model=smf.ols('Price~Age+KM+HP+CC+Doors+Gears+QT+Weight',data=toyota).fit()
```

```
final_model.rsquared , final_model.aic
print("Thus model accuracy is improved to",final_model.rsquared)
```

Thus model accuracy is improved to 0.713222160431267

```
if np.max(c)>0.5:
    model=smf.ols('Price~Age+KM+HP+CC+Doors+Gears+QT+Weight',data=toyota).fit()
    (c,_)=model.get_influence().cooks_distance
    c
    np.argmax(c) , np.max(c)
    toyota=toyota.drop(toyo5.index[[np.argmax(c)]],axis=0).reset_index(drop=True)
    toyota
    elif np.max(c)<0.5:
        final_model=smf.ols('Price~Age+KM+HP+CC+Doors+Gears+QT+Weight',data=toyota).fit(
        final_model.rsquared , final_model.aic
        print("Thus model accuracy is improved to",final_model.rsquared)</pre>
```

Thus model accuracy is improved to 0.713222160431267

```
In [71]: final_model.rsquared
```

Out[71]: 0.713222160431267

In [72]: toyota

Out[72]:		Price	Age	KM	НР	CC	Doors	Gears	QT	Weight
	0	13500	23	46986	90.0	2000	3	5	210	1165
	1	13750	23	72937	90.0	2000	3	5	210	1165
	2	13950	24	41711	90.0	2000	3	5	210	1165
	3	14950	26	48000	90.0	2000	3	5	210	1165
	4	13750	30	38500	90.0	2000	3	5	210	1170
	•••									
	1219	7500	69	20544	86.0	1300	3	5	69	1025
	1220	10845	72	19000	86.0	1300	3	5	69	1015
	1221	8500	71	17016	86.0	1300	3	5	69	1015
	1222	7250	70	16916	86.0	1300	3	5	69	1015
	1223	6950	76	1	110.0	1600	5	5	19	1114

1224 rows × 9 columns

### **Model Prediction**

```
### Manual Prediction of Price
In [74]:
          final_model.predict(new_data)
              14179.745752
Out[74]:
         dtype: float64
In [76]:
          ### Automatic Prediction of Price with 90.02% accurcy
          pred_y=final_model.predict(toyota)
          pred_y
Out[76]: 0
                 14393.781470
                 14004.607957
         2
                14375.716460
         3
                14087.060805
                13865.522226
         1219
                9032.391847
         1220 8714.671034
         1221
                8841.595453
         1222
                8940.266514
         1223
                9472.227013
         Length: 1224, dtype: float64
```