

5. You might have observed that sometimes the value of VIF is infinite. Why does this happen?

ANSWER -->

Variance Inflation Factor: It describes multi-collinearity in our model. It selects one of the variable among parameters as target and other variables as feature.

If a variable has a relation with all other variable then, i.e. is perfectly collinear and completely defined by all other variables, VIF is very high i.e. infinite (∞).

$$VIF = 1 / (1 - R^2), \text{ if } R^2 = 1, VIF = \infty.$$

