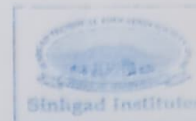


Group A
Assignment No:- 4



Date

Title of the Assignment: Create a Linear Regression model using Python/R to predict home prices using Boston Housing dataset.

Objective of the Assignment: students should be able to data analysis using linear regression using python for any open source dataset.

Prerequisite:-

1. Basic of python programming.
2. Concept of Regression.

concepts for Theory:-

1. Linear Regression: univariate and multivariate
2. Least square method for Linear Regression
3. Measuring performance of Linear Regression
4. Example of Linear Regression
5. Training data set and Testing dataset.

1. Linear Regression:- It is a machine learning algorithm based on supervised learning. It targets prediction values on the basis of independent variables.

- It is preferred to find out the relationship between two variables.
- A linear relationship between a dependent variable (y) is continuous while independent variable (x) relationship may be continuous or discrete.
- Linear regression is popular because the cost function is mean squared Error (MSE) which is equal to the average squared difference between an observation actual and predicted values.

Multivariable Regression: It concerns the study of two or more predictor variables. Usually a transformation of the original features into polynomial features. From a given degree, Linear Regression is applied.

2. Least Square Method for Linear Regression.

- Linear Regression involves establishing linear relationships between dependent and independent variables.
- A simple linear model is the one which involves only one dependent and one independent variable.
- ~~Variable~~, However, for a simple univariable linear model, it can be denoted by the regression equation $\hat{Y} = \beta_0 + \beta_1 X$

• This linear regression represents a line also known as the regression line. The least square estimation technique is one of the basic techniques used to guess the values of the parameters and based on sample sets.

3. Measuring Performance of Linear Regression

Mean Square Error (MSE)

The Mean Squared Error (MSE) represents the error of the estimator or predictive model created based on the given set of observations in the sample. Two or more regression models created using a given sample data can be compared based on their MSE. The lesser the MSE, the better the regression model.

Interpretation 2

Even if $x=0$ value of independent variable, it is expected that value of y is 26.768

5. Training data set and Testing data set.

- Machine Learning algorithm has two phases.

1. Training and 2. Testing

- The input of the training phase is training data which is passed to any machine learning algorithm and machine learning model is generated as output of training phase.

[a] Training phase

- Training phase dataset is provided as input to this phase.
- Training dataset is dataset having attributes and class labels and used for training machine learning to prepare models.
- In a simple way the actual output of training data and practical output of the models does not match the training error. It is said to have occurred.

[b] Testing phase

- Testing dataset is provided as input to this phase.
- Test dataset is dataset for which class labels is unknown. It is tested using models.
- A test dataset used for assessment of the finally chosen module.
- In a simple way the actual output of the testing data and provided output of the module does not match the testing error. Error is said to have occurred.

$$MSE = \frac{1}{n} \sum (\underbrace{y - \bar{y}}_{\text{the square of the difference between actual and predicted}})^2$$

the square of the difference between actual and predicted.

An MSE of zero(0) represents the fact that the predictor is perfect predictor. RMSE

Root Mean Squared Error method that basically calculates the least-squares error and takes a root of the summed values.

$$RMSE = \sqrt{\sum_{i=1}^n \frac{1}{n} (\bar{y}_i - y_i)^2}$$

A value of R-squared closer to 1 would mean that the regression model covers most part of the variance of the value of the response variable and can be termed as a good model.

4. Example of Linear regression.

Consider following data for 5 Students.

Each x_i ($i=1$ to 5) represents the score of i th student in standard x and corresponding y_i ($i=1$ to 5) represents the score of i th student x_{11} .

- Linear regression equation best predicts standard x_{11} score
- Interpretation for the equation of linear regression.

i) Interpretation of the regression Line.

Interpretation 1

For an increase in value of x by 0.644 units there is an increase in value of y by one unit.

c] Generalization

- Generalization is the prediction of the future based on the past system.
- It needs to generalize beyond the training data to some future data that it might not have seen yet.
- The ultimate aim of the machine learning model is to minimize the generalization error.
- In general, the dataset is divided into two partitions having training and test sets.

- ### Conclusions:-

In this way we have done data analysis using linear regression. Dataset and predict the price of houses using the features of the Boston dataset.