# Innovaccer | IIT Madras | Decision Scientist-Test | Report

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## **Data Preprocessing:**

## 1. Data Type change

- Some of the missing values in the data are represented by 'N/A' (instead of NaN) which is a **string**, and as result of which the columns with have float values along with 'N/A' have their data type as **object** (non-numeric data type)
- This will result in issue when handling non-numeric(categorical) data types. So, we have change those columns data type to a numeric data type(float64)

## 2. Missing Values

- a. Target variable ('per capita exp total py')
  - Delete the rows in which target column value is missing

#### b. Numeric variables

• Replace the missing values in column with **mean** of the available values

#### c. Non-numeric variables

• Replace the missing values in column with **mode** of the available values

## d. Majority missing

• If a column has missing values in majority(90%) rows, delete the column

## 3. Majority variables

• Delete columns if majority(90%) rows have same value as the model won't learn anything from a feature in which change isn't much.

### 4. Categorical variables

- Delete categorical variables as there are too many levels in each variable
- Alternative is to cluster them(levels) based on their frequency -- didn't implement it

#### 5. Splitting

• Divide the data into  $\sim$ 85% train,  $\sim$ 7% valid,  $\sim$ 8% train data

# **Model building:**

### **Linear Regression:**

### 1. No regularization

• Without regularization the model exactly(nearly) fits the data as the available training data is low

# 2. Regularization(L2 -- Ridge)

- Use high values of alpha to avoid overfitting, since we have very low data
- Optimal alpha -- alpha for which the model performs better on valid data
- Even though in some of the data split scenarios the optimal model performance on test data is low, it's very high when compared to the no regularization model.

<sup>\*</sup> column = variable, variable = column