

# Datta\_Saurav\_Lab3\_Draft

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```
#install.packages("sqldf")
# Sys.setenv(JAVA_HOME='/Library/Java/JavaVirtualMachines/jdk1.8.0_151.jdk/Contents/Home')
# install.packages("rJava")
# install.packages("RH2")
#install.packages("gridExtra")
```

```
library(sqldf)
```

```
## Loading required package: gsubfn
```

```
## Warning: package 'gsubfn' was built under R version 3.4.4
```

```
## Loading required package: proto
```

```
## Loading required package: RSQLite
```

```
# library(RH2)
```

```
library(ggplot2)
```

```
library(gridExtra)
```

```
library(stargazer)
```

```
##
```

```
## Please cite as:
```

```
## Hlavac, Marek (2018). stargazer: Well-Formatted Regression and Summary Statistics Tables.
```

```
## R package version 5.2.1. https://CRAN.R-project.org/package=stargazer
```

```
library(car)
```

```
getwd()
```

```
## [1] "/Users/sdatta/Documents/1. Personal/MIDS/W203/Course material/Lab3"
```

```
setwd("/Users/sdatta/Documents/1. Personal/MIDS/W203/Course material/Lab3")
```

```
#db = dbConnect(SQLite(), dbname="lab3.sqllite")
```

```
#sqldf("attach 'lab3.sqllite' as new")
```

```
#dbRemoveTable(db, "crime0")
```

```
crime0=read.csv("crime_v2.csv",
               header = TRUE
               )
```

```
crime1=crime0
```

```
sqldf("select * from crime1 limit 5")
```

```
##   county year   crmrte  prbarr   prbconv  prbpris avgsen   polpc
## 1      1   87 0.0356036 0.298270 0.527595997 0.436170   6.71 0.00182786
## 2      3   87 0.0152532 0.132029 1.481480002 0.450000   6.35 0.00074588
## 3      5   87 0.0129603 0.444444 0.267856985 0.600000   6.76 0.00123431
## 4      7   87 0.0267532 0.364760 0.525424004 0.435484   7.14 0.00152994
## 5      9   87 0.0106232 0.518219 0.476563007 0.442623   8.22 0.00086018
```

```
##      density      taxpc west central urban pctmin80      wcon      wtuc
## 1 2.4226327 30.99368    0      1      0 20.21870 281.4259 408.7245
## 2 1.0463320 26.89208    0      1      0 7.91632 255.1020 376.2542
## 3 0.4127659 34.81605    1      0      0 3.16053 226.9470 372.2084
## 4 0.4915572 42.94759    0      1      0 47.91610 375.2345 397.6901
## 5 0.5469484 28.05474    1      0      0 1.79619 292.3077 377.3126
##      wtrd      wfir      wser      wmfg      wfed      wsta      wloc      mix
## 1 221.2701 453.1722 274.1775 334.54 477.58 292.09 311.91 0.08016878
## 2 196.0101 258.5650 192.3077 300.38 409.83 362.96 301.47 0.03022670
## 3 229.3209 305.9441 209.6972 237.65 358.98 331.53 281.37 0.46511629
## 4 191.1720 281.0651 256.7214 281.80 412.15 328.27 299.03 0.27362204
## 5 206.8215 289.3125 215.1933 290.89 377.35 367.23 342.82 0.06008584
##      pctymle
## 1 0.07787097
## 2 0.08260694
## 3 0.07211538
## 4 0.07353726
## 5 0.07069755
```

## Converting prbconv from factor to numeric

We see that column prbconv is factor datatype

```
crime1$prbconv_cast=as.numeric(as.matrix(crime1$prbconv))
```

```
## Warning: NAs introduced by coercion
```

```
crime_tmp=sqldf("SELECT * FROM crime1 WHERE NOT (prbconv_cast >1 OR prbarr >1 OR prbpris >1 OR prbconv_
crime1=crime_tmp
sqldf("SELECT count(*) from crime1")
```

```
##      count(*)
## 1           81
```

## Defining common function

```
f_check_null <- function(in_field_name ){
  sql=sprintf("SELECT COUNT(1) as COUNT_NULL_OR_NA FROM crime1 WHERE (%s IS \"NA\" or %s IS NULL)", in_
  sqldf(sql)
}
```

```
f_plot_one <- function(in_db_field_name,in_main_title ){

  title_log=paste("log of",in_main_title, sep = " ")

  par(mfrow=c(2,2))
  hist(in_db_field_name, main=in_main_title)
  hist(log(in_db_field_name), main=title_log)
  boxplot(in_db_field_name, main=in_main_title)

}
```

```
f_plot_two <- function(in_field_name1,in_xlabel,in_field_name2,in_y_label, in_main_title ){

  theme_update(plot.title = element_text(hjust = 0.5))
```

```

p1<-ggplot(crime1, aes_string(in_field_name1,in_field_name2)) +
  geom_point() +
  geom_smooth(na.rm = FALSE, method = loess)
p1 + ggtitle(in_main_title) +xlab(in_xlabel) + ylab(in_y_label)
}

```

```

f_plot_three <- function(in_field_x,in_xlabel,in_field_y,in_y_label){

corr_val=round(cor(in_field_y, in_field_x),4)

main_title=paste(in_xlabel,'v/s',in_y_label, sep = ' ')
plot(in_field_x, in_field_y,
  main = main_title,
  sub=paste("Corr. coefficient:",corr_val),
  xlab=in_xlabel,
  ylab=in_y_label)
m = lm( in_field_y ~ in_field_x)
abline(m)

}

```

### Analyzing regions

```

crime_tmp = sqldf("SELECT *, CASE WHEN west=1 THEN \'WEST\'
                                WHEN central=1 THEN \'CENTRAL\'
                                WHEN urban=1 THEN \'URBAN\'
                                ELSE \'UNKNOWN\'
                                END regionofcrime
FROM crime1"
)

```

```

crime1=crime_tmp

```

```

sqldf("SELECT regionofcrime as regionofcrime, count(8) as countofcrimes from crime1 GROUP BY regionofcrime")

```

```

##  regionofcrime countofcrimes
## 1      CENTRAL          31
## 2     UNKNOWN          29
## 3      URBAN           2
## 4      WEST           19

```

### Analyzing crmrte

```

f_check_null("crmrte")

```

```

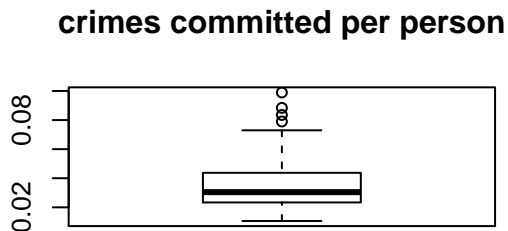
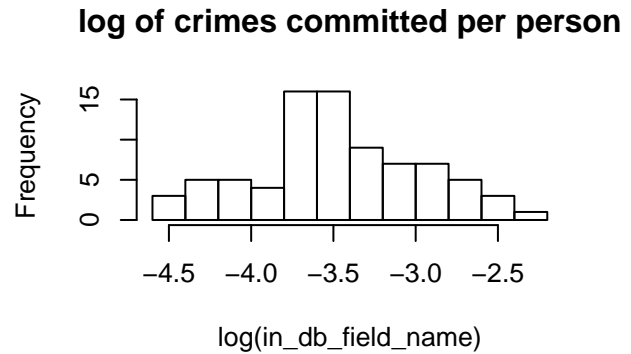
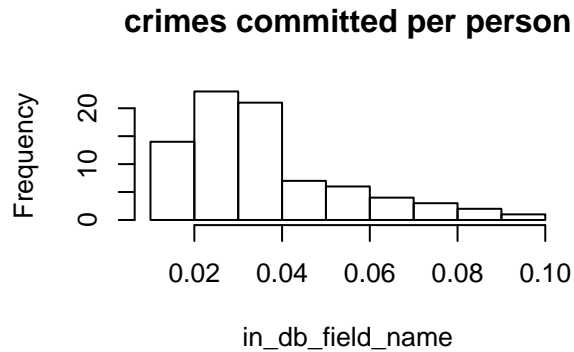
##  COUNT_NULL_OR_NA
## 1                0

```

```

f_plot_one(crime1$crmrte,"crimes committed per person")
crime1$logcrmrte=log(crime1$crmrte)

```



Analyzing the 6 records with missing crmrte values

```
sqldf("SELECT * FROM crime1 WHERE (crmrte IS \"NA\" or crmrte IS NULL) ")
```

```
## [1] county      year      crmrte    prbarr    prbconv
## [6] prbpris     avgsen   polpc     density   taxpc
## [11] west        central  urban     pctmin80  wcon
## [16] wtuc        wtrd     wfir      wser      wmf
## [21] wfed        wsta     wloc      mix       pctymle
## [26] prbconv_cast regionofcrime logcrmrte
## <0 rows> (or 0-length row.names)
```

We see that all relevant columns of these 6 records are NA. So we can safely delete them

```
crime_tmp=sqldf( c("DELETE FROM crime1 WHERE crmrte IS NULL",
  "SELECT * FROM crime1"
)
)
```

```
## Warning in rsqLite_fetch(res@ptr, n = n): Don't need to call dbFetch() for
## statements, only for queries
```

```
crime1=crime_tmp
sqldf("SELECT count(*) FROM crime1 ")
```

```
## count(*)
## 1      81
```

Reanalyzing regions after deleting NAs

```
sqldf("SELECT regionofcrime as regionofcrime, count(8) as countofcrimes from crime1 GROUP BY regionofcrime")
```

```
## regionofcrime countofcrimes
## 1 CENTRAL 31
## 2 UNKNOWN 29
```

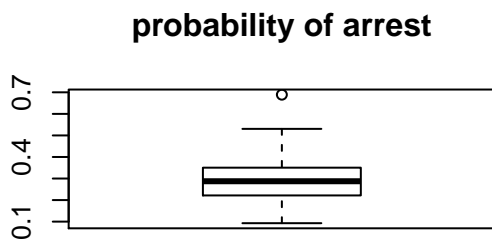
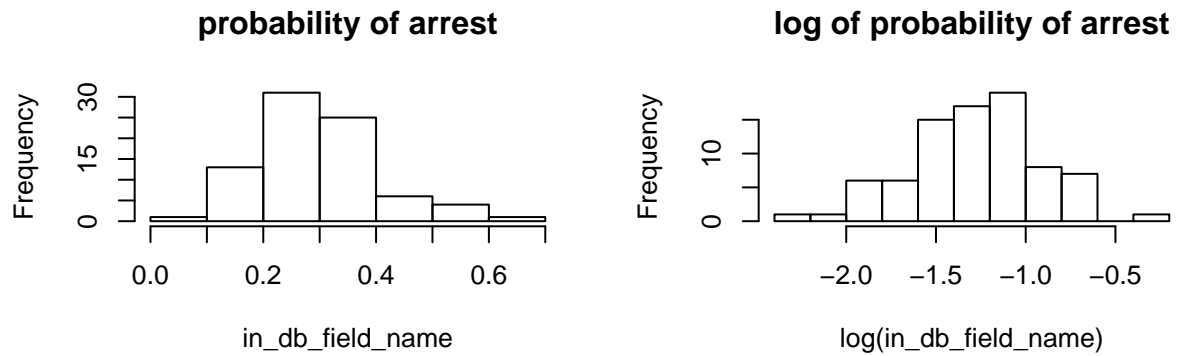
```
## 3      URBAN      2
## 4      WEST     19
```

### Analyzing prbarr

```
f_check_null("prbarr")
```

```
##      COUNT_NULL_OR_NA
## 1                      0
```

```
f_plot_one(crime1$prbarr,"probability of arrest")
```



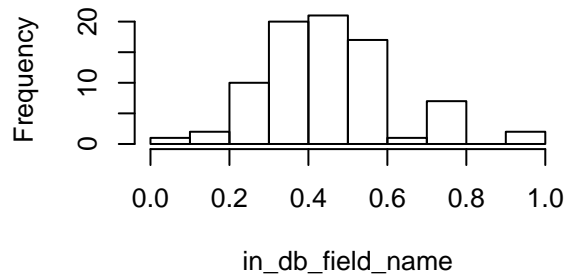
### Analyzing prbconv\_cast

```
f_check_null("prbconv_cast")
```

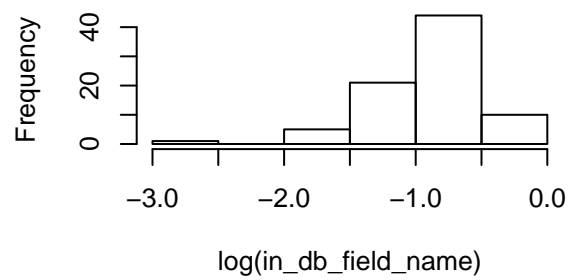
```
##      COUNT_NULL_OR_NA
## 1                      0
```

```
f_plot_one(crime1$prbconv_cast,"probability of conviction")
```

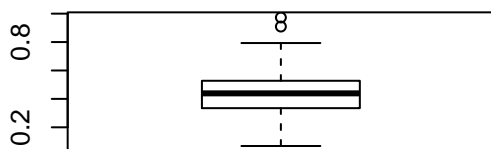
**probability of conviction**



**log of probability of conviction**



**probability of conviction**



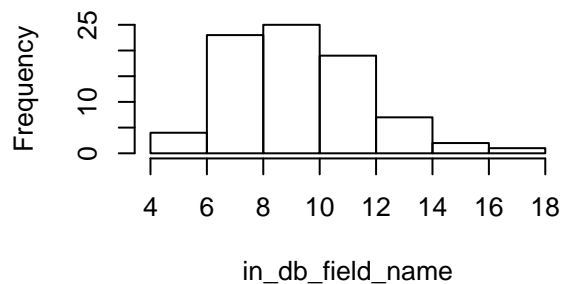
Analyzing avgsen

```
f_check_null("avgsen")
```

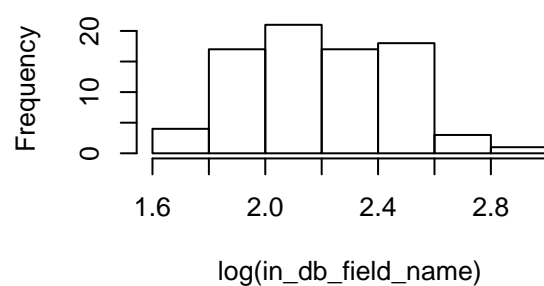
```
## COUNT_NULL_OR_NA  
## 1 0
```

```
f_plot_one(crime1$avgsen, "avg. sentence, days")  
crime1$logavgsen = log(crime1$avgsen)
```

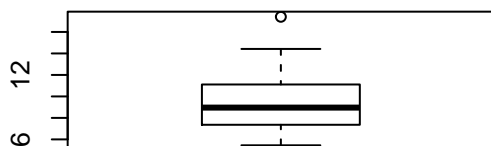
**avg. sentence, days**



**log of avg. sentence, days**



**avg. sentence, days**

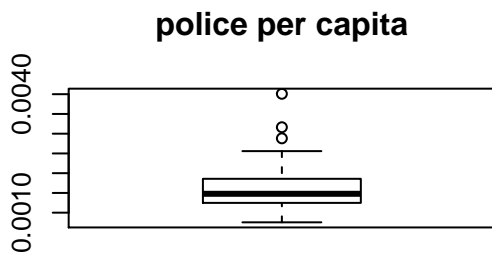
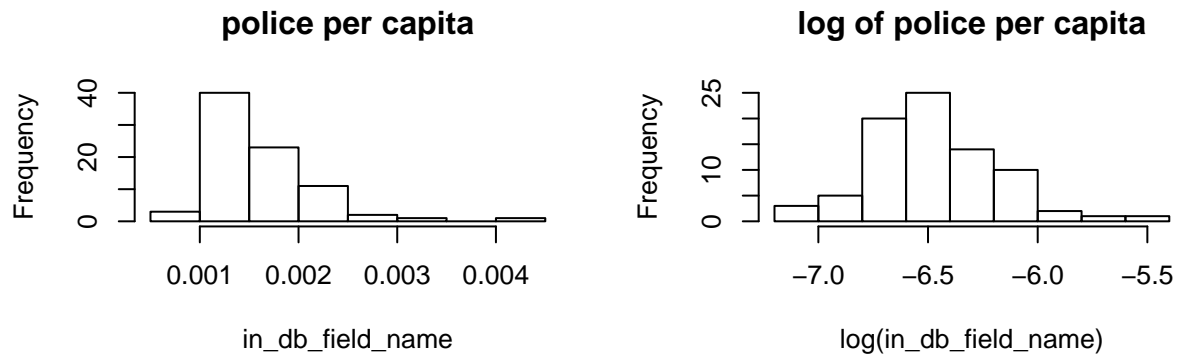


Analyzing polpc

```
f_check_null("polpc")
```

```
##      COUNT_NULL_OR_NA  
## 1                0
```

```
f_plot_one(crime1$polpc, "police per capita")  
crime1$logpolpc = log(crime1$polpc)
```



### Analyzing density

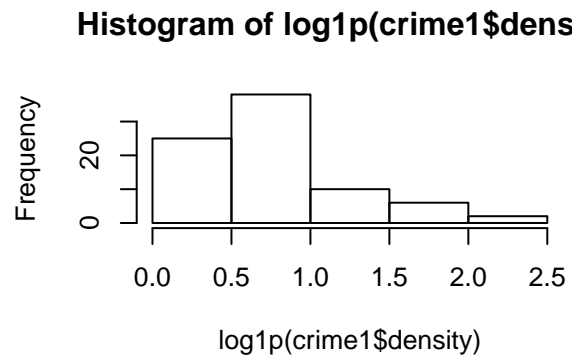
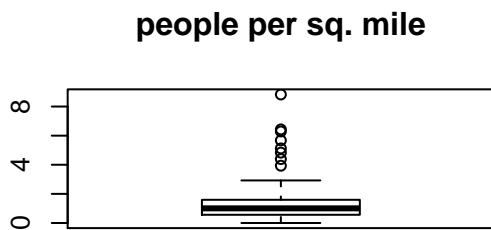
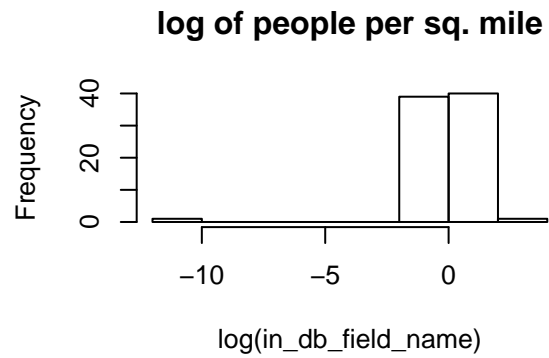
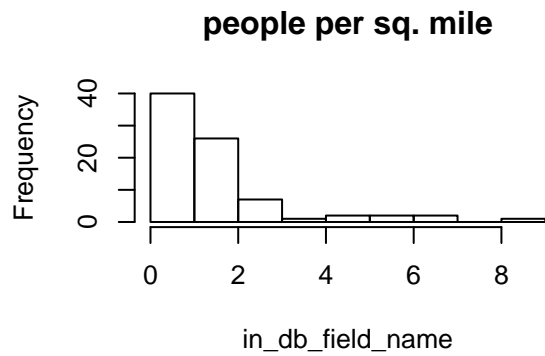
We see that log1p of density is closer to normal distribution than either log or exp ( tried it offline).

```
f_check_null("density")
```

```
##      COUNT_NULL_OR_NA  
## 1                0
```

```
f_plot_one(crime1$density, "people per sq. mile")
```

```
hist(log1p(crime1$density))
```



```
crime1$log1pdensity=log1p(crime1$density)
```

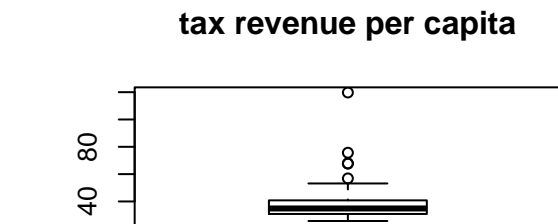
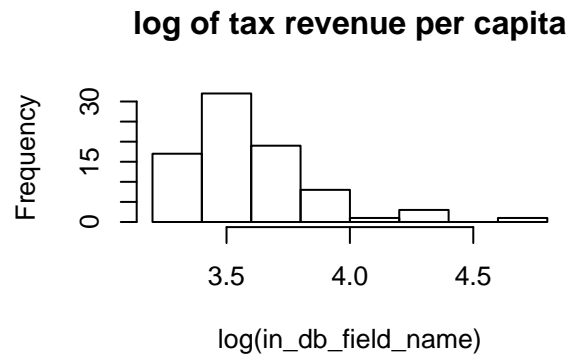
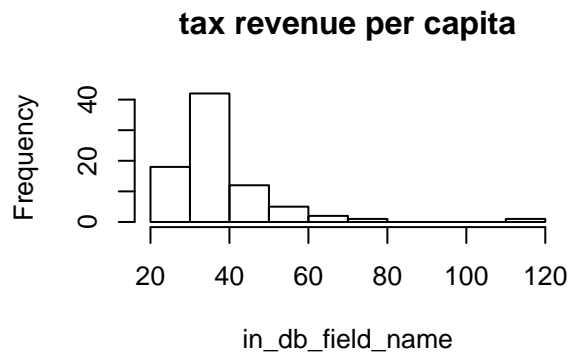
### Analyzing taxpc

```
f_check_null("taxpc")
```

```
##    COUNT_NULL_OR_NA
## 1                    0
```

```
f_plot_one(crime1$taxpc,"tax revenue per capita")
```





Outlier of taxpc=120

### Analyzing region

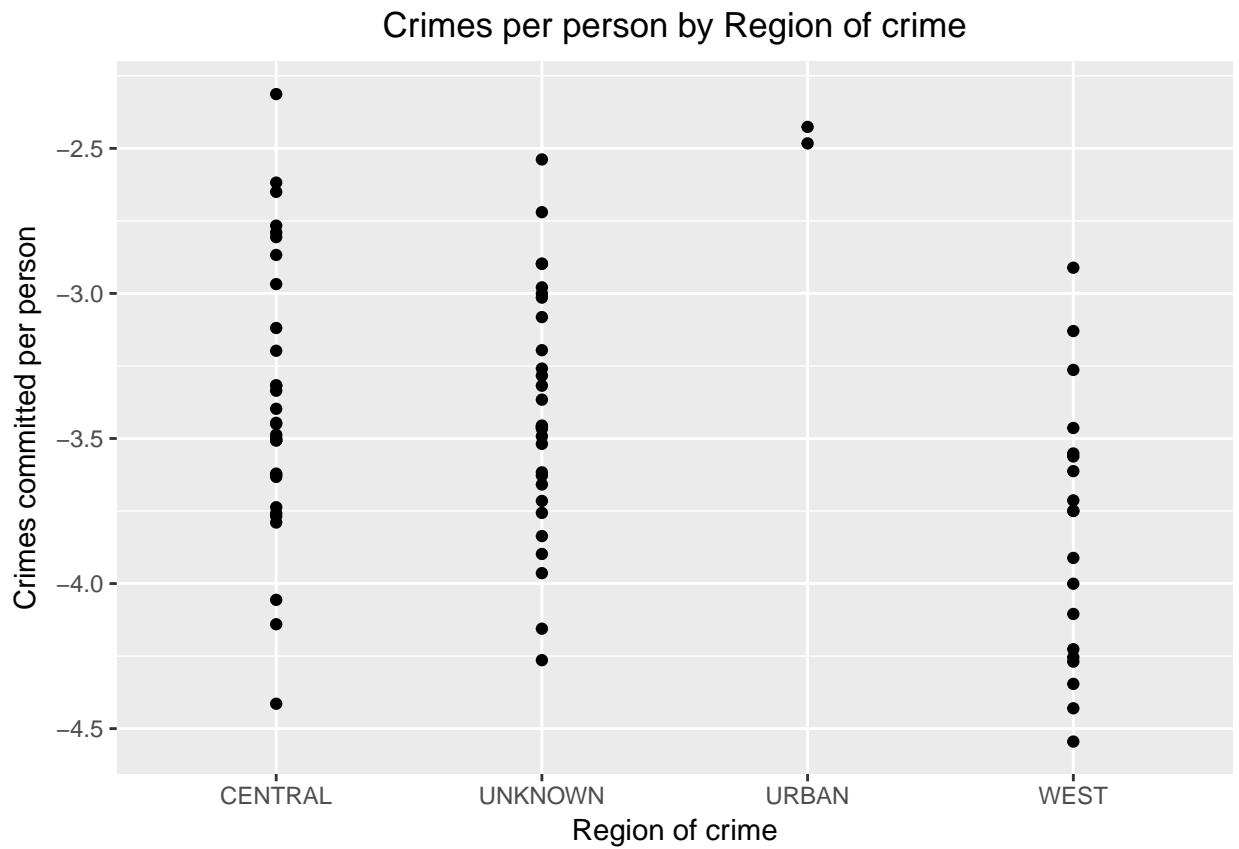
We see that there are 58 records for which we have the region, whereas there are 97 records in the dataset. So there are crimes with unknown region.

```
sqldf("select \'1. WEST\' as REGION, count(8) as COUNT from crime1 where west=1
      UNION
      select \'2. CENTRAL\' as REGION, count(8) as COUNT from crime1 where central=1
      UNION
      select \'3. URBAN\' as REGION, count(8) as COUNT from crime1 where urban=1
      UNION
      select \'4. TOTAL\' as REGION, count(8) as COUNT from crime1 where (west=1 or central=1 or urban=1)
      ")
```

```
##      REGION COUNT
## 1  1. WEST    19
## 2 2. CENTRAL   32
## 3  3. URBAN     8
## 4  4. TOTAL   52
```

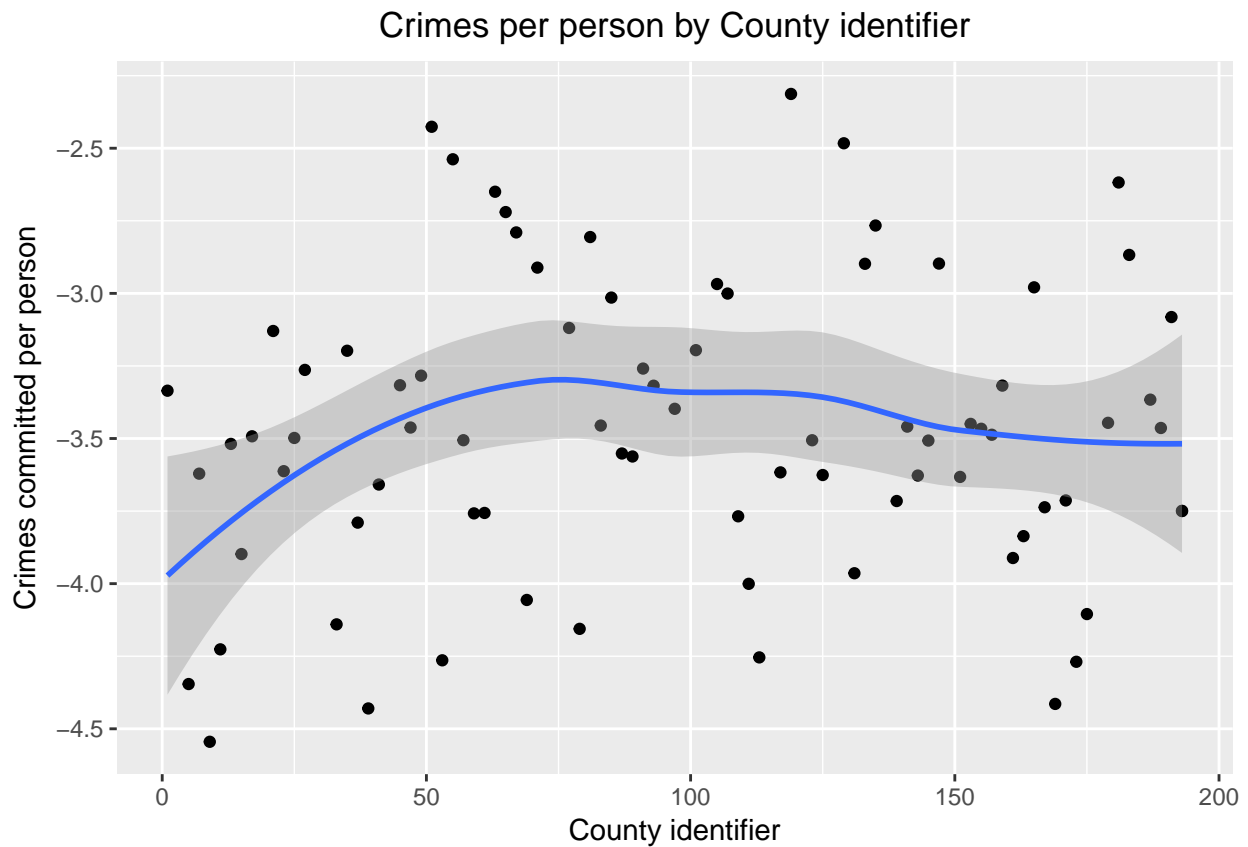
### Analyzing Crimes committed per person by region

```
#
f_plot_two("regionofcrime", "Region of crime", "logcrmrte", "Crimes committed per person", "Crimes per person")
```



Analyzing Crimes committed per person by region

```
f_plot_two("county", "County identifier", "logcrmrte", "Crimes committed per person", "Crimes per person by
```



```
sqldf("SELECT county, crmrte FROM crime1 WHERE crmrte >= 0.09 ")
```

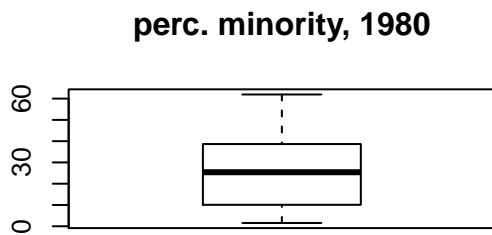
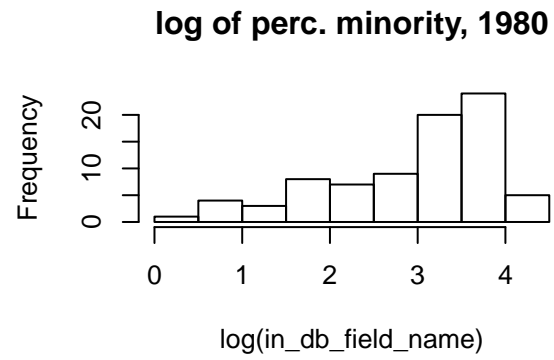
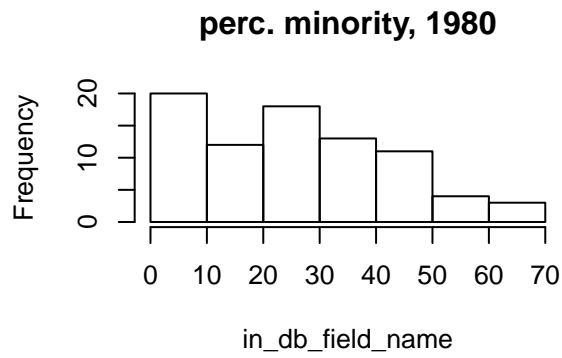
```
##   county   crmrte
## 1    119 0.0989659
```

#### Analyzing percent minority

```
f_check_null("pctmin80")
```

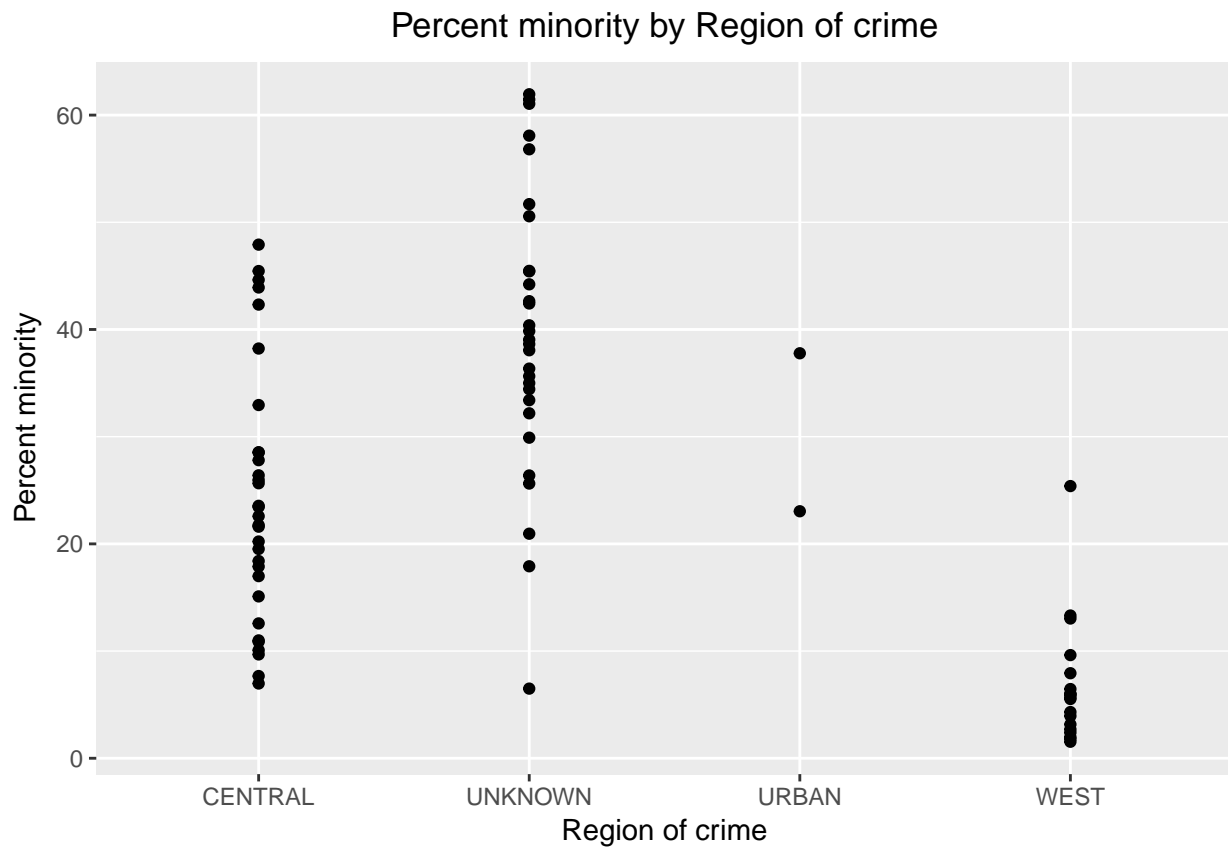
```
##   COUNT_NULL_OR_NA
## 1                0
```

```
f_plot_one(crime1$pctmin80, "perc. minority, 1980")
```



Analyzing percent minority by region

```
f_plot_two("regionofcrime", "Region of crime", "pctmin80", "Percent minority", "Percent minority by Region of crime")
```

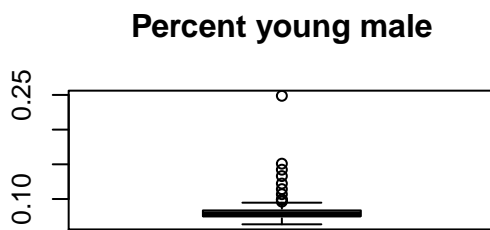
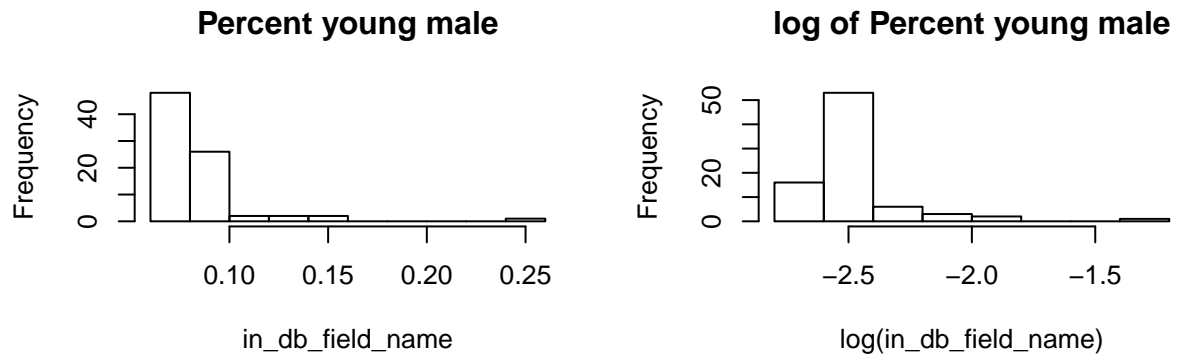


## Analyzing pctymle

```
f_check_null("pctymle")
```

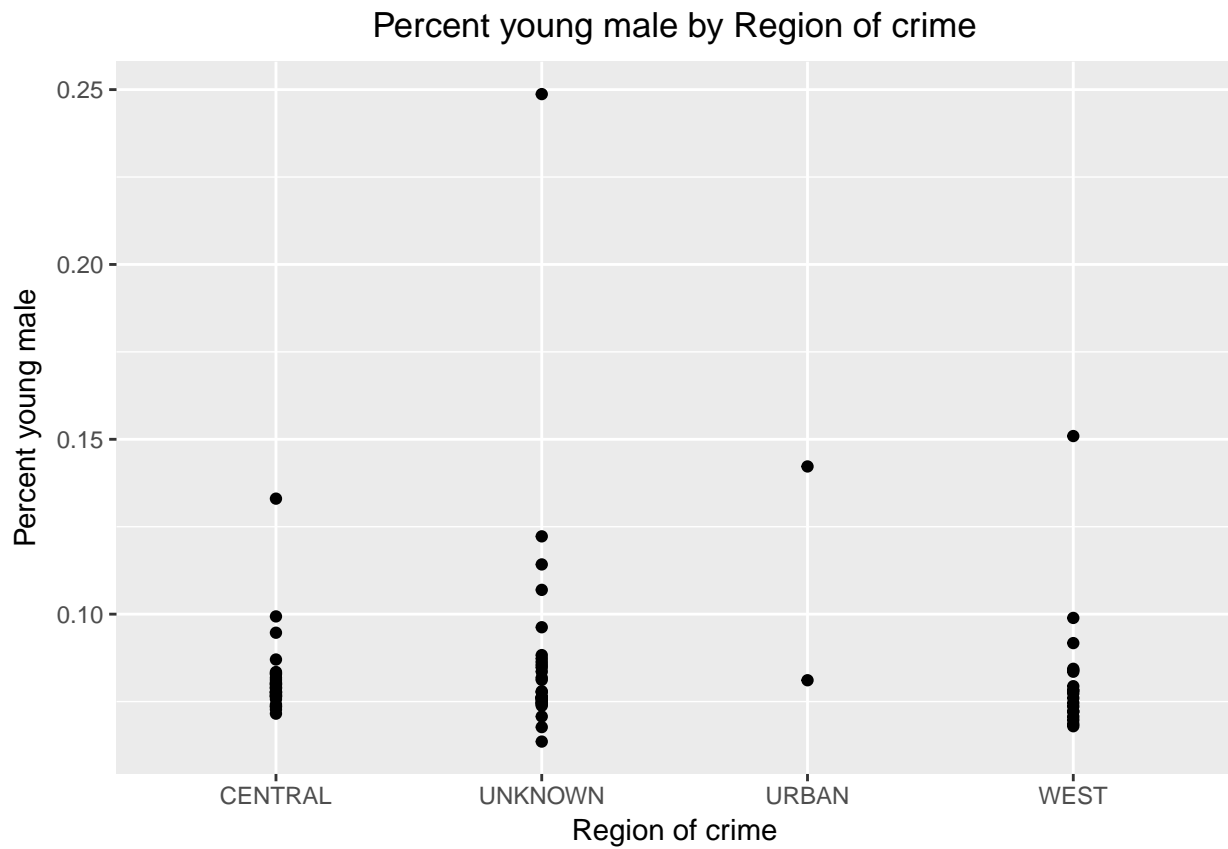
```
##      COUNT_NULL_OR_NA  
## 1              0
```

```
f_plot_one(crime1$pctymle, "Percent young male")
```



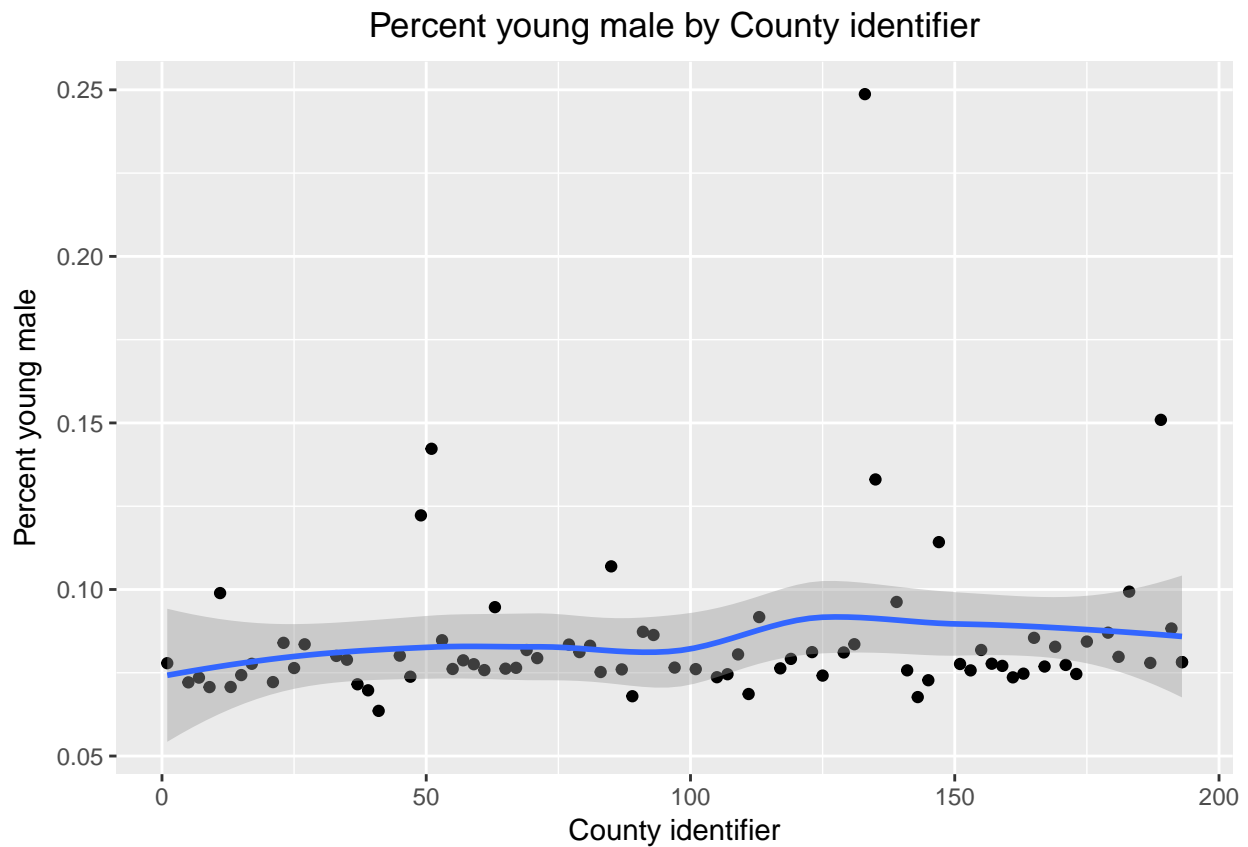
## Analyzing pctymle by region

```
f_plot_two("regionofcrime", "Region of crime", "pctymle", "Percent young male", "Percent young male by Region of crime")
```



We see that the UNKNOWN region has the highest percent of young male

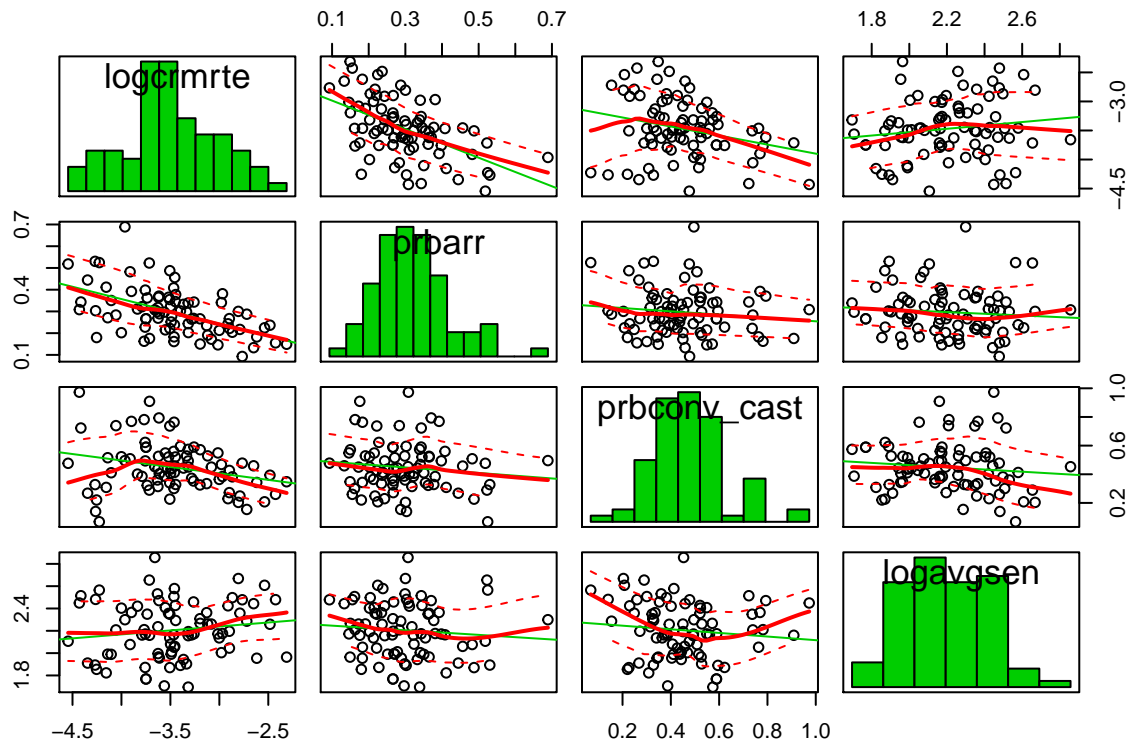
```
f_plot_two("county", "County identifier", "pctymle", "Percent young male", "Percent young male by County id
```



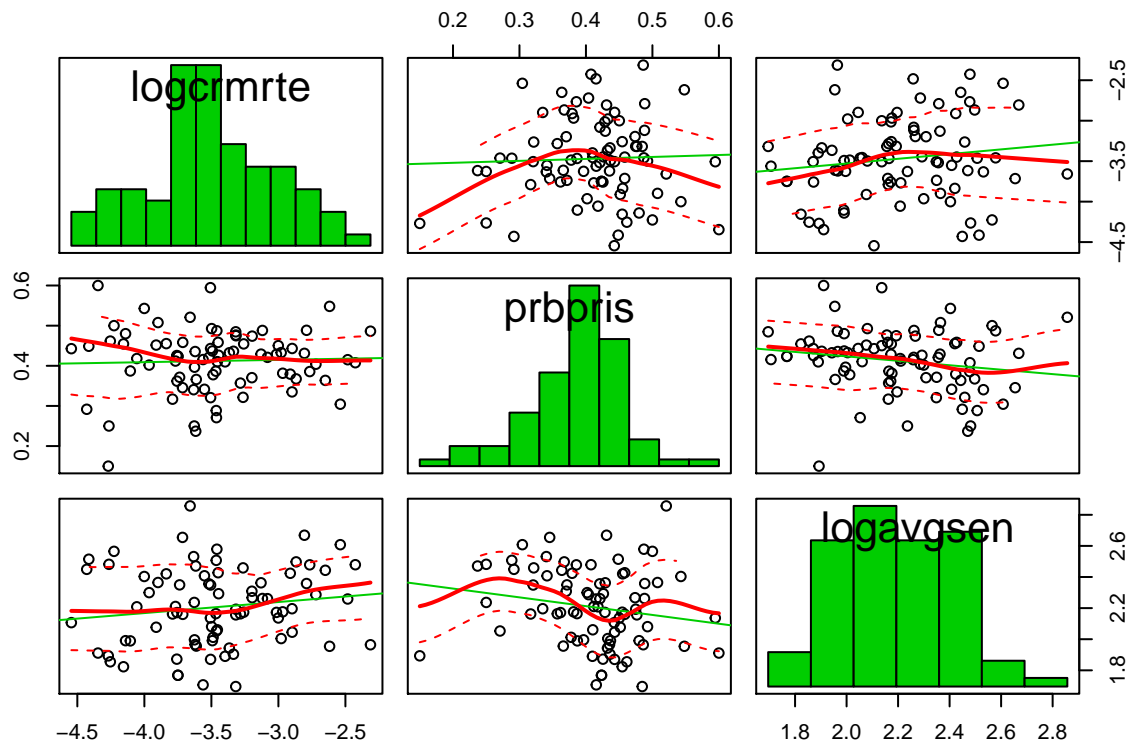
```
sqldf("SELECT county,pctymle from crime1 WHERE pctymle>=0.20")
```

```
##  county  pctymle
## 1    133 0.2487116
```

```
scatterplotMatrix(crime1[,c("logcrmrte","prbarr", "prbconv_cast", "logavgsen")], diagonal = "histogram")
```

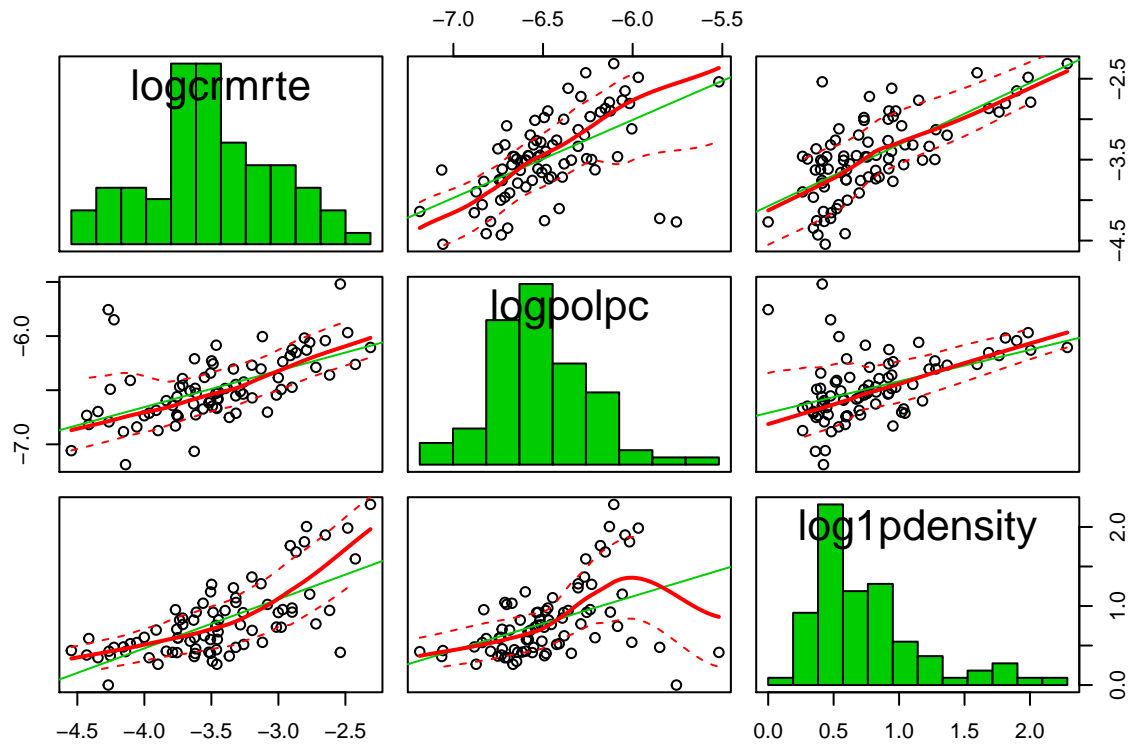


```
scatterplotMatrix(crime1[,c("logcirmrte", "prbpris", "logavggsen")], diagonal = "histogram")
```

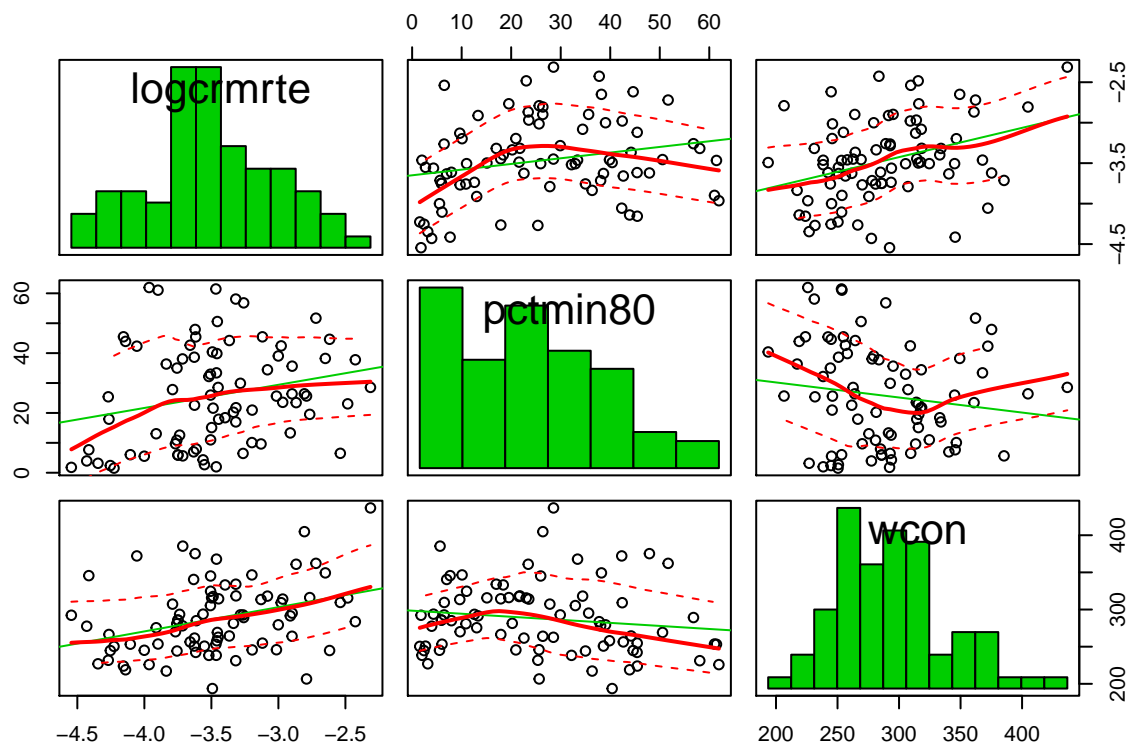


```
scatterplotMatrix(crime1[,c("logcirmrte", "logpolpc", "loglpdensity")], diagonal = "histogram")
```

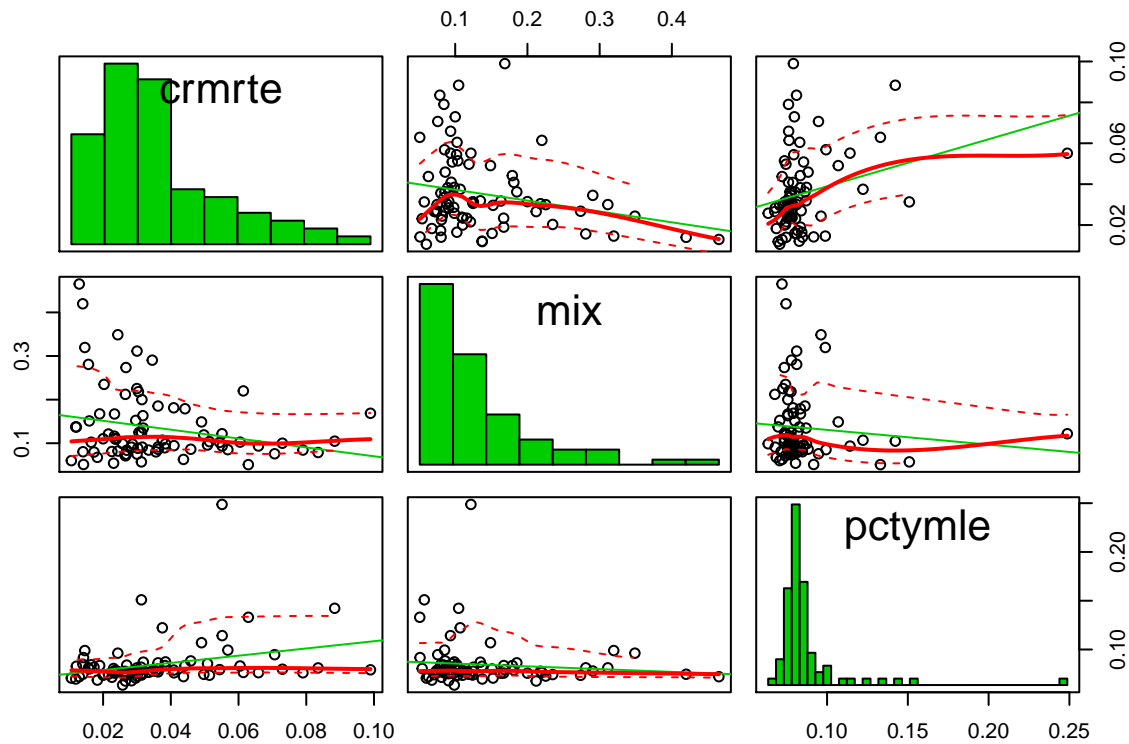




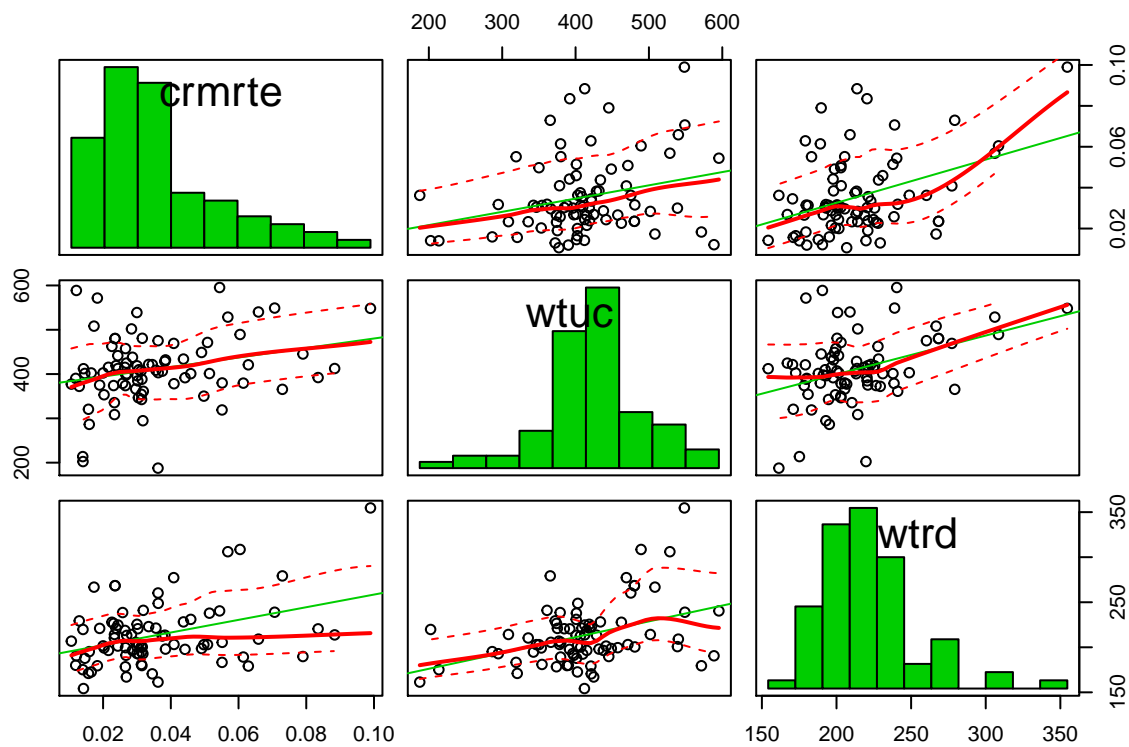
```
scatterplotMatrix(crime1[,c("logcrmrte", "pctmin80", "wcon")], diagonal = "histogram")
```



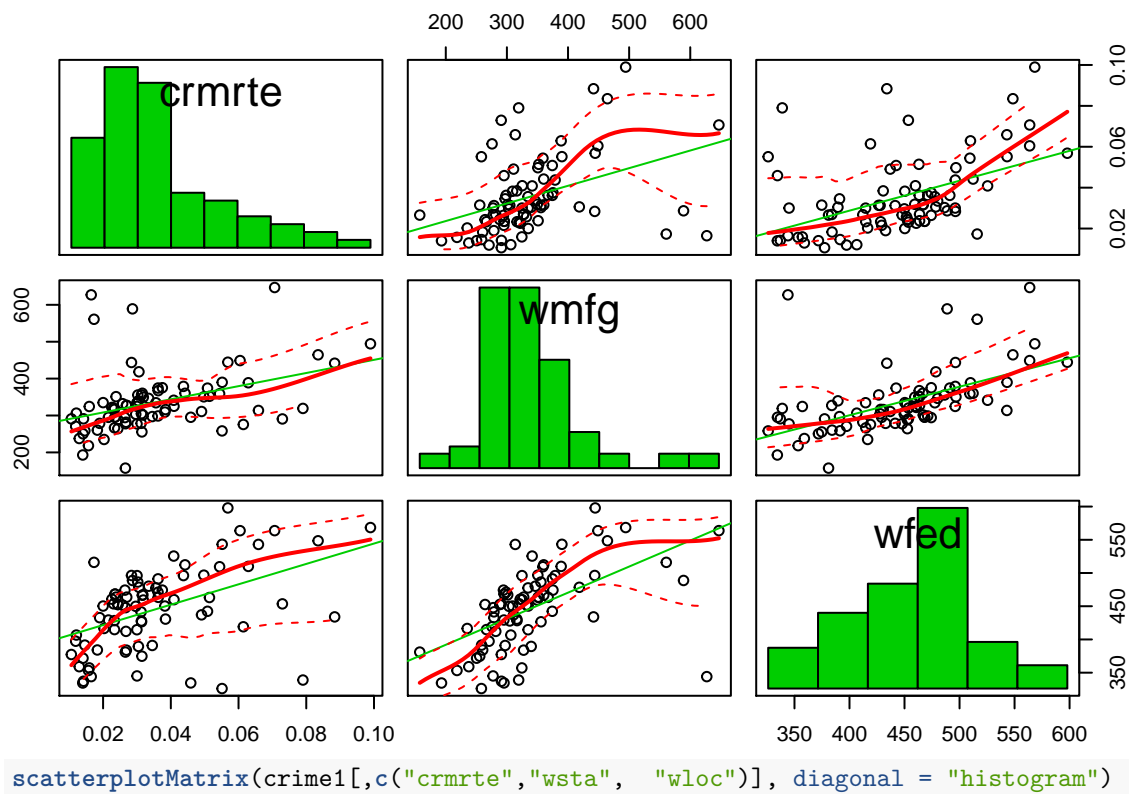
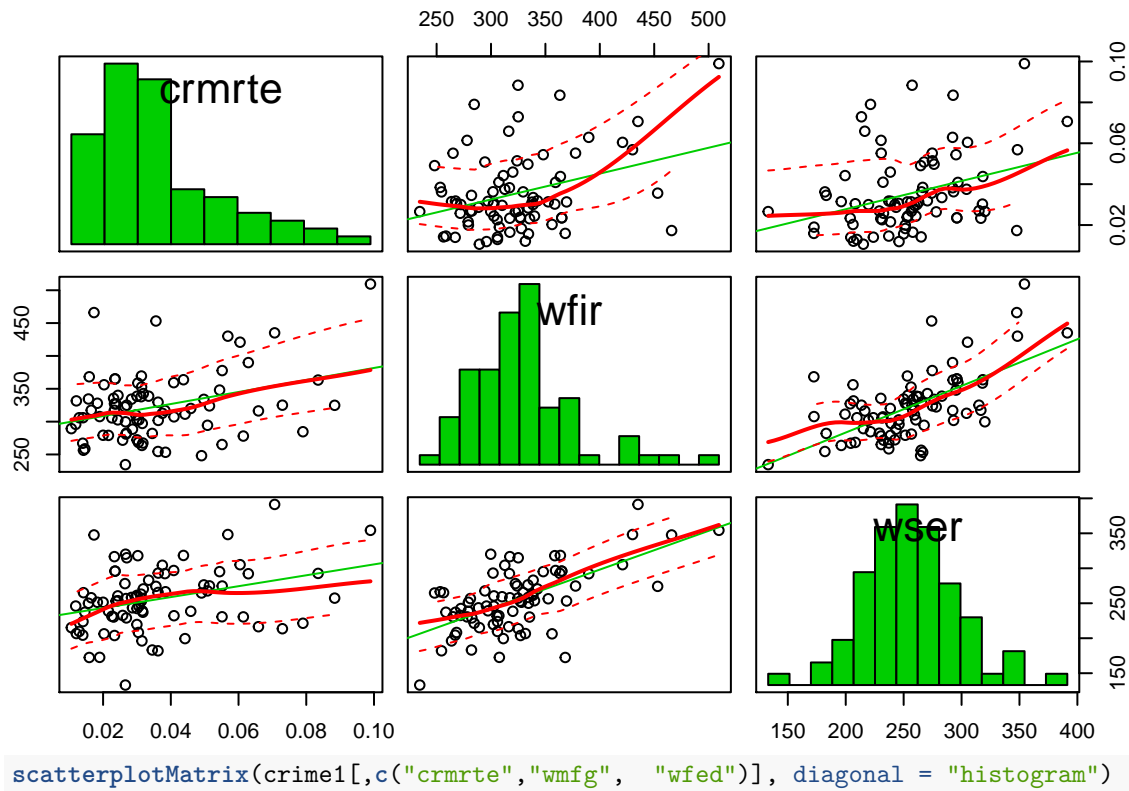
```
scatterplotMatrix(crime1[,c("crmrte", "mix", "pctymle")], diagonal = "histogram")
```

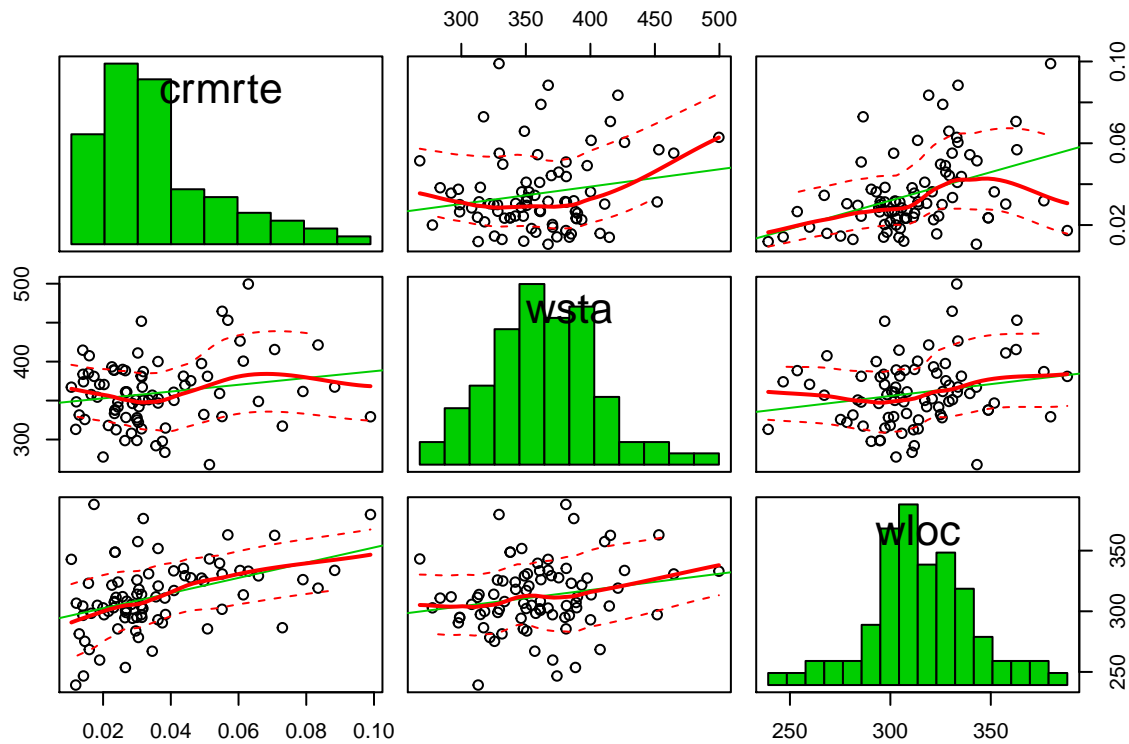


```
scatterplotMatrix(crime1[,c("crmrte", "wtuc", "wtrd")], diagonal = "histogram")
```

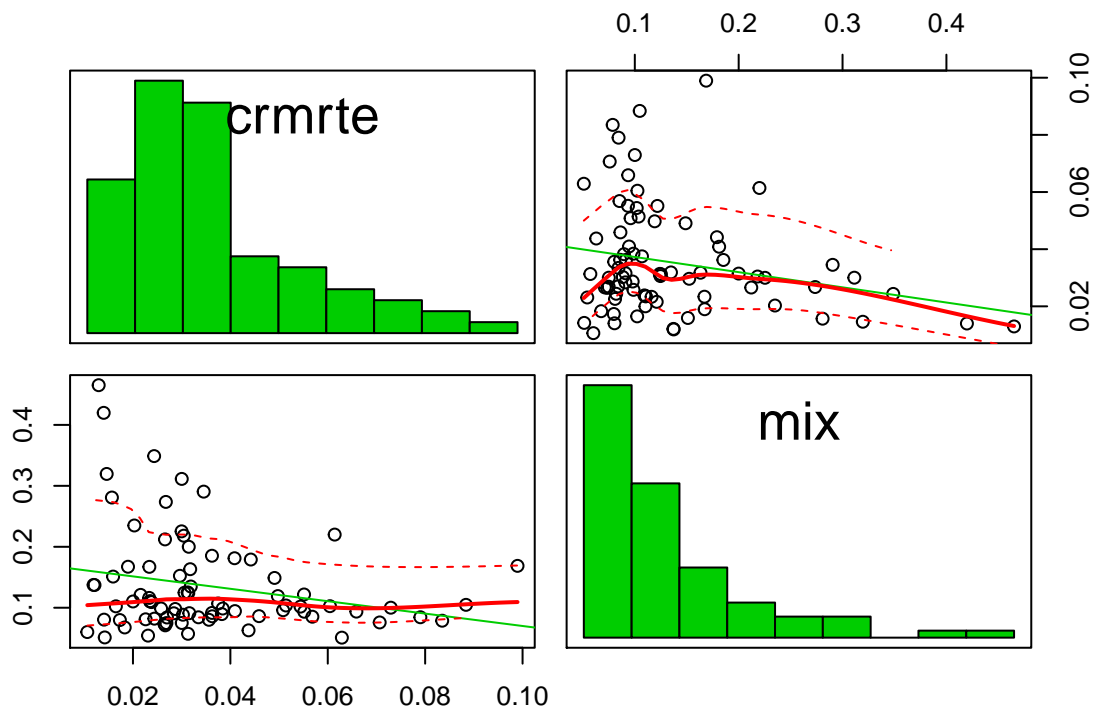


```
scatterplotMatrix(crime1[,c("crmrte", "wfir", "wser")], diagonal = "histogram")
```

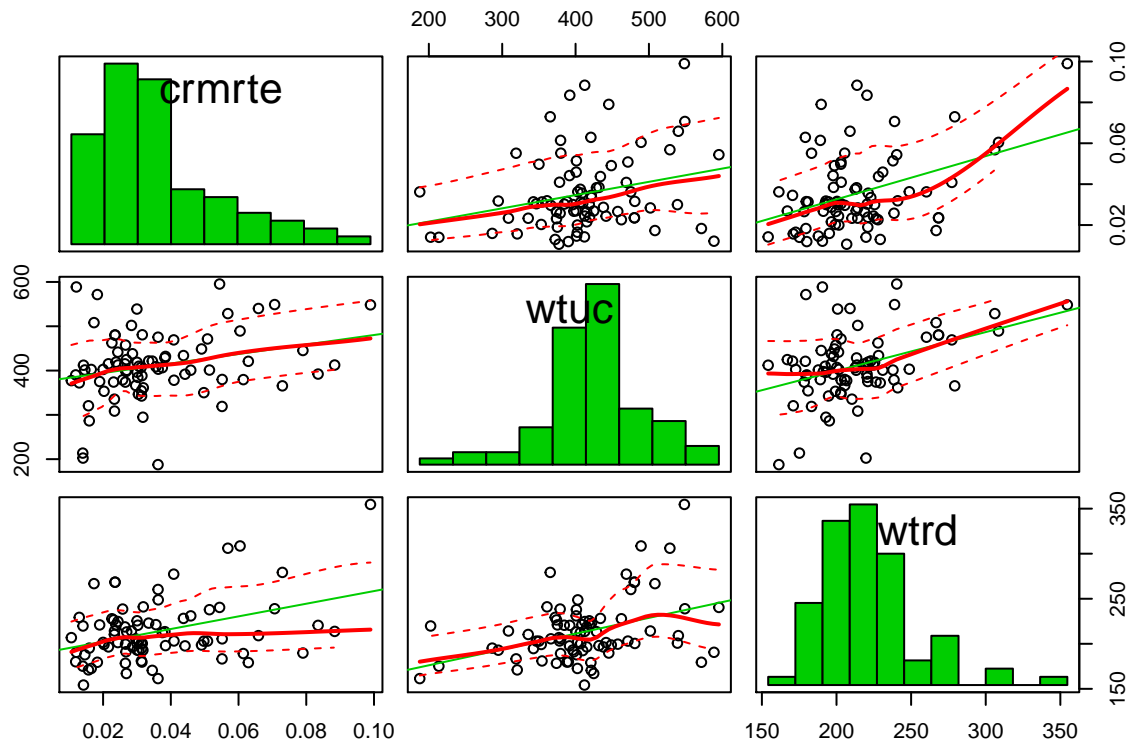




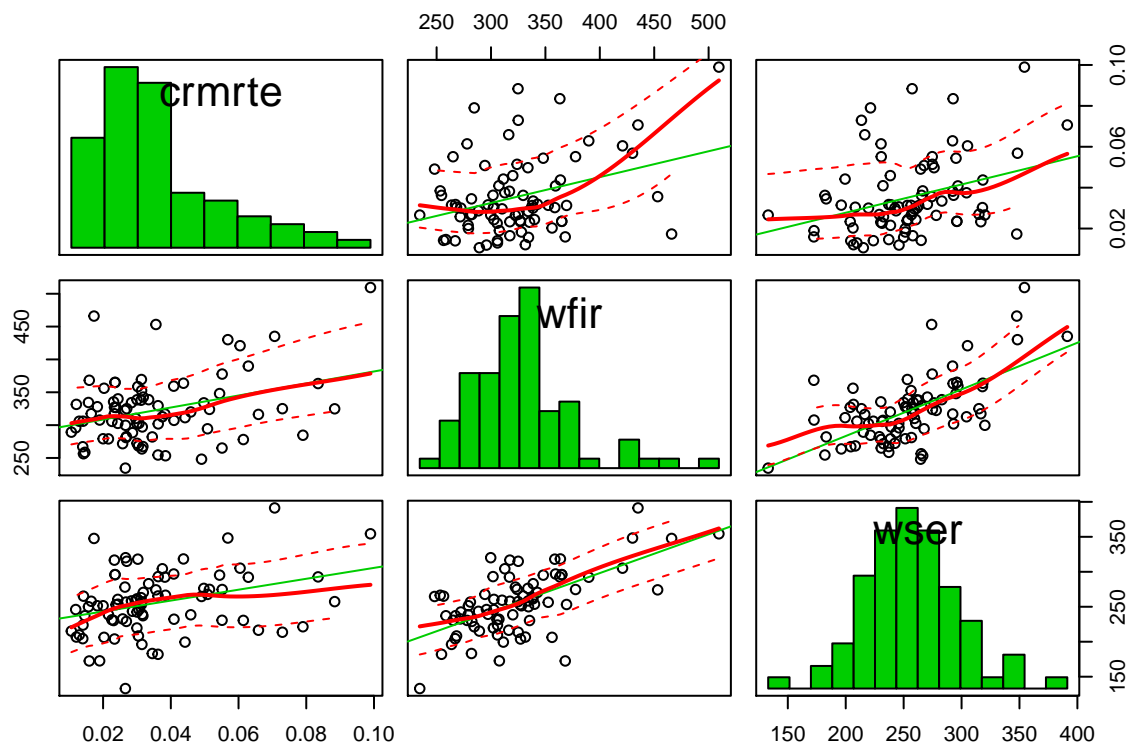
```
scatterplotMatrix(crime1[,c("crmrte","mix")], diagonal = "histogram")
```



```
scatterplotMatrix(crime1[,c("crmrte","wtuc", "wtrd")], diagonal = "histogram")
```



```
scatterplotMatrix(crime1[,c("crmrte","wfir", "wser")], diagonal = "histogram")
```



```
# corr_val=round(cor(crime1$logcrmrte, crime1$prbarr),4)
#
# main_title=paste(in_xlabel,'v/s',in_y_label, sep = ' ')
# plot(crime1$prbarr, crime1$logcrmrte,
#      main = main_title,
```

```

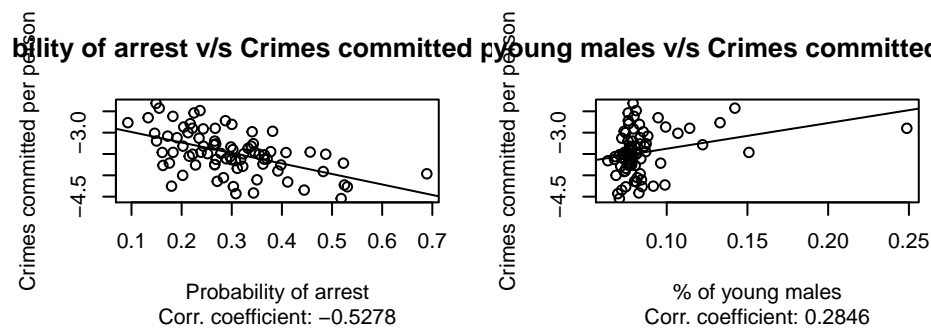
#      sub=paste("Corr. coefficient:",corr_val),
#      xlab=in_xlabel,
#      ylab=in_y_label)
# m = lm(in_field_x ~ in_field_y)
# abline(m)

par(mfrow = c(4, 2))

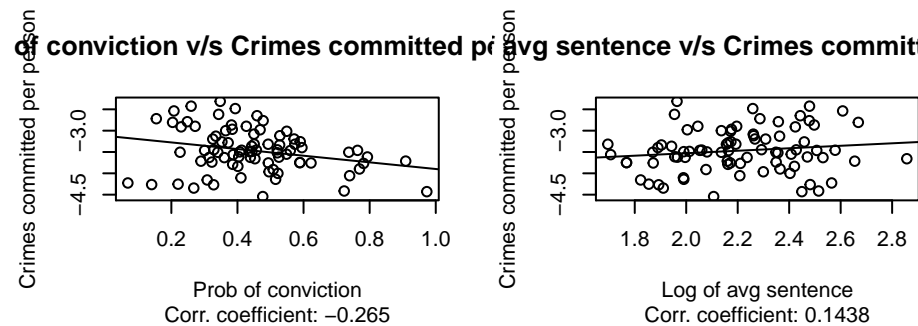
f_plot_three(crime1$prbarr, "Probability of arrest",crime1$logcrmrte,"Crimes committed per person" )
f_plot_three(crime1$pctymle, "% of young males",crime1$logcrmrte,"Crimes committed per person" )
f_plot_three(crime1$prbconv_cast, "Prob of conviction",crime1$logcrmrte,"Crimes committed per person" )
f_plot_three(crime1$logavgsen, "Log of avg sentence",crime1$logcrmrte,"Crimes committed per person" )

```

**Probability of arrest v/s Crimes committed per person      % of young males v/s Crimes committed per person**



**Prob of conviction v/s Crimes committed per person      Log of avg sentence v/s Crimes committed per person**

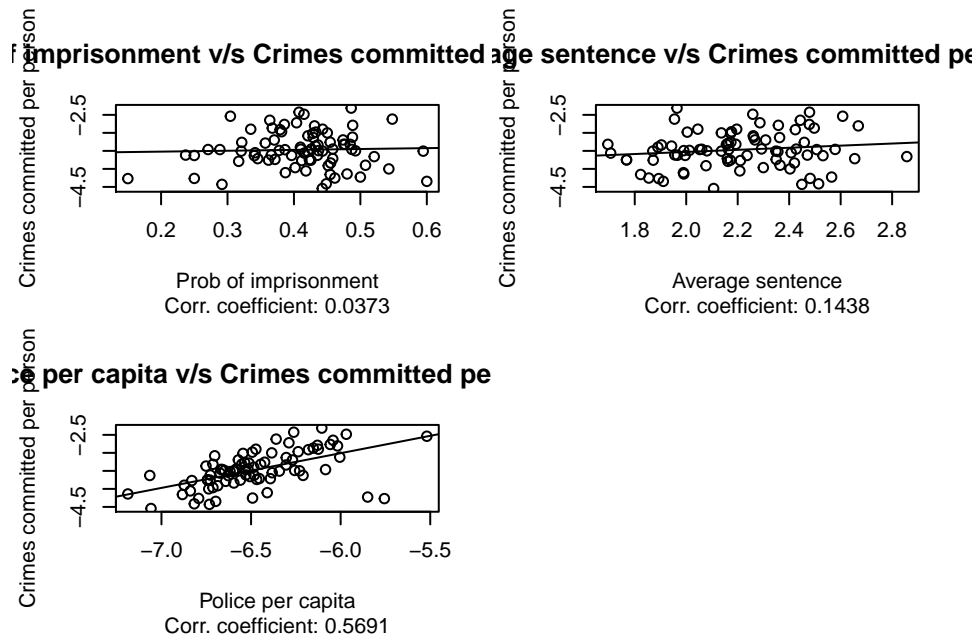


```

par(mfrow = c(3, 2))

f_plot_three(crime1$prbpris, "Prob of imprisonment",crime1$logcrmrte,"Crimes committed per person" )
f_plot_three(crime1$logavgsen, "Average sentence",crime1$logcrmrte,"Crimes committed per person" )
f_plot_three(crime1$logpolpc, "Police per capita",crime1$logcrmrte,"Crimes committed per person" )

```



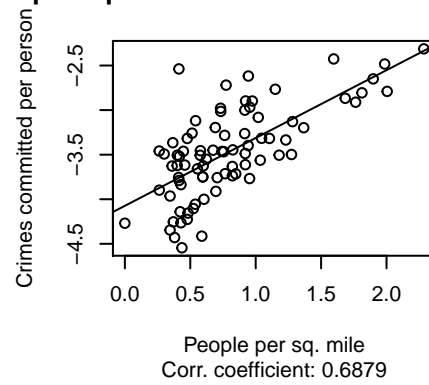
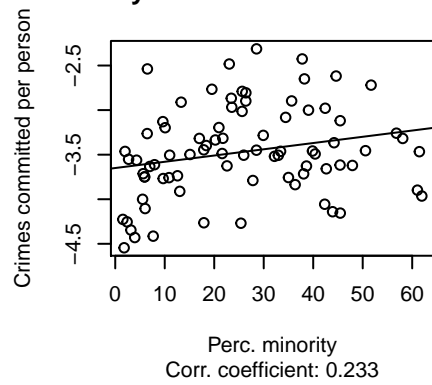
```
par(mfrow = c(3, 2))

f_plot_three(crime1$pctmin80, "Perc. minority", crime1$logcrmrte, "Crimes committed per person" )

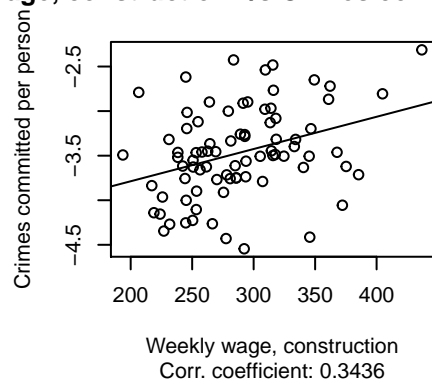
f_plot_three(crime1$log1pdensity, "People per sq. mile", crime1$logcrmrte, "Crimes committed per person" )

f_plot_three(crime1$wcon, "Weekly wage, construction", crime1$logcrmrte, "Crimes committed per person" )
```

c. minority v/s Crimes committed per e per sq. mile v/s Crimes committed p



age, construction v/s Crimes committ



```
par(mfrow = c(3, 2))
```

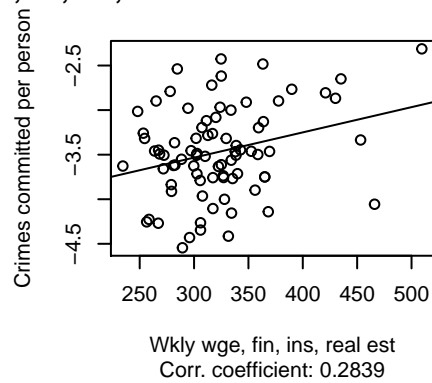
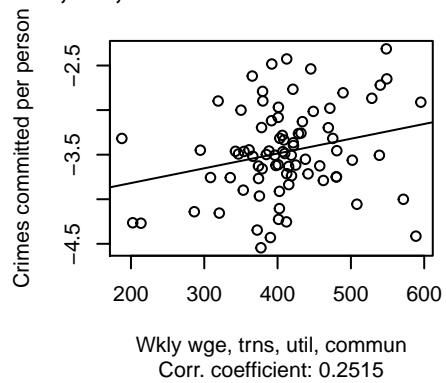
```
f_plot_three(crime1$wtuc, "Wkly wge, trns, util, commun", crime1$logcrmrte, "Crimes committed per person")
```

```
f_plot_three(crime1$wfir, "Wkly wge, fin, ins, real est", crime1$logcrmrte, "Crimes committed per person")
```

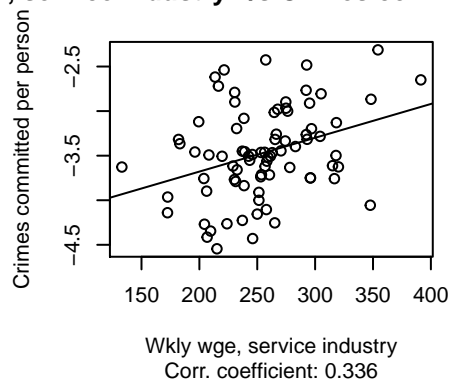
```
f_plot_three(crime1$wser, "Wkly wge, service industry", crime1$logcrmrte, "Crimes committed per person" )
```



**trns, util, comun v/s Crimes commit, fin, ins, real est v/s Crimes committe**



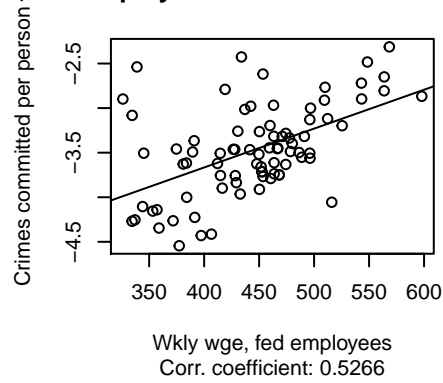
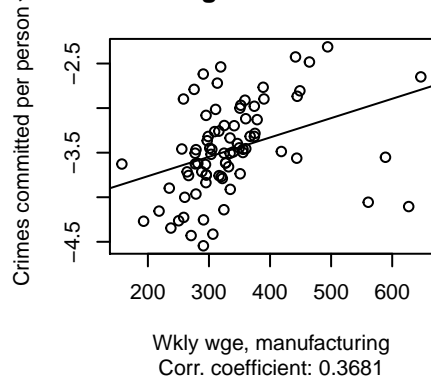
**, service industry v/s Crimes committe**



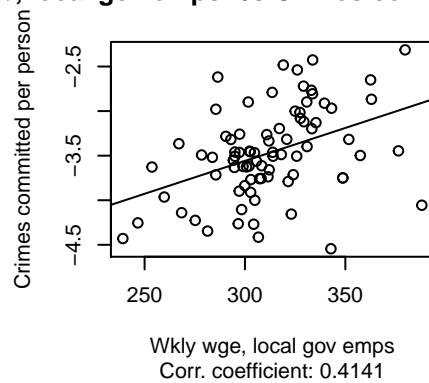
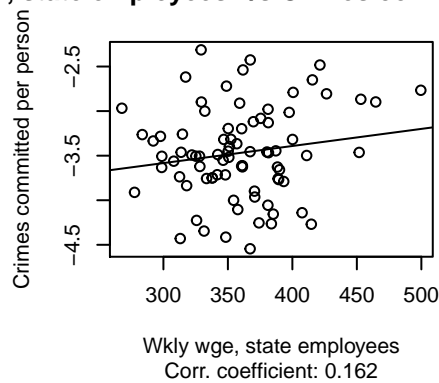
```
par(mfrow = c(3, 2))

f_plot_three(crime1$wmfg, "Wkly wge, manufacturing", crime1$logcrmrte, "Crimes committed per person" )
f_plot_three(crime1$wfed, "Wkly wge, fed employees", crime1$logcrmrte, "Crimes committed per person" )
f_plot_three(crime1$wsta, "Wkly wge, state employees", crime1$logcrmrte, "Crimes committed per person" )
f_plot_three(crime1$wloc, "Wkly wge, local gov emps", crime1$logcrmrte, "Crimes committed per person" )
```

**e, manufacturing v/s Crimes committee, fed employees v/s Crimes committee**



**, state employees v/s Crimes committee, local gov emps v/s Crimes committee**



**Strong positive correlation:**

crmrte v/s polpc crmrte v/s density crmrte v/s wcon crmrte v/s wser crmrte v/s wmfgr crmrte v/s wfed  
crmrte v/s wloc

**Weak positive correlation:**

crmrte v/s pctymle crmrte v/s percent of minority crmrte v/s wkly wge, fin, ins, real est crmrte v/s wtuc

**Strong negative correlation:**

crmrte v/s prbarr

**Weak negative correlation:**

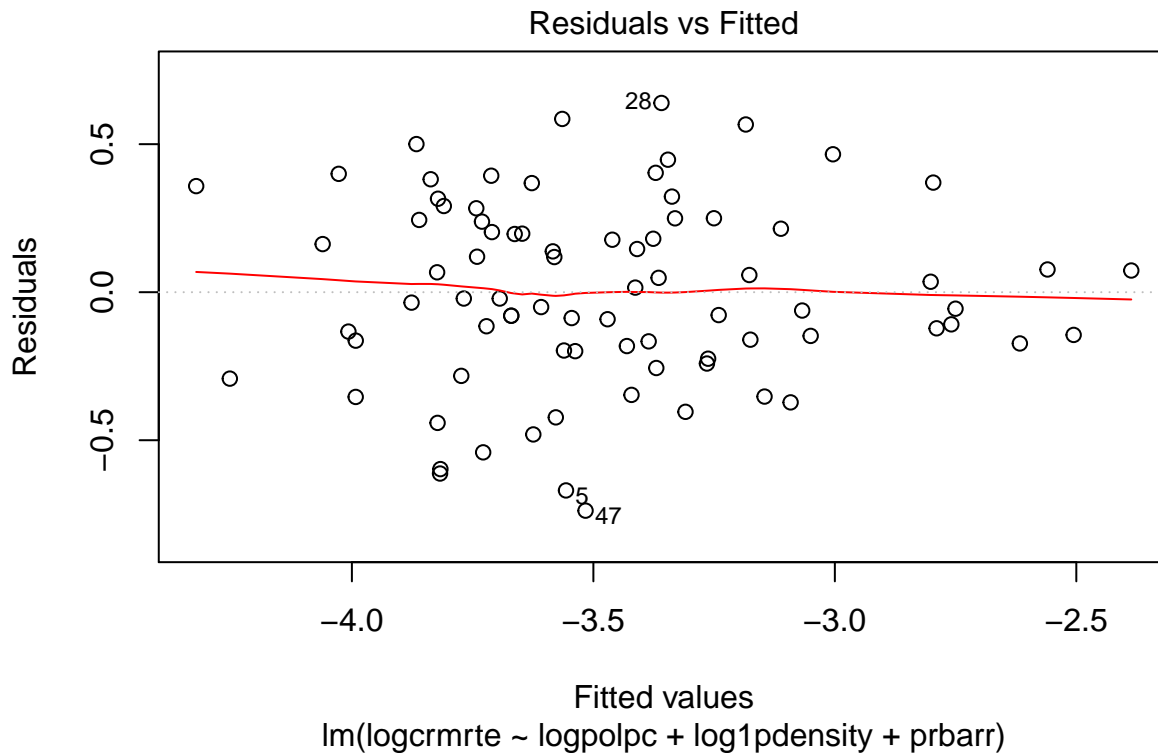
crmrte v/s prbconv

**Model 1: Crime related variables**

$\log(\text{crime rate}) = \log(\text{beta0} + \text{beta1polpc} + \text{beta2density})$

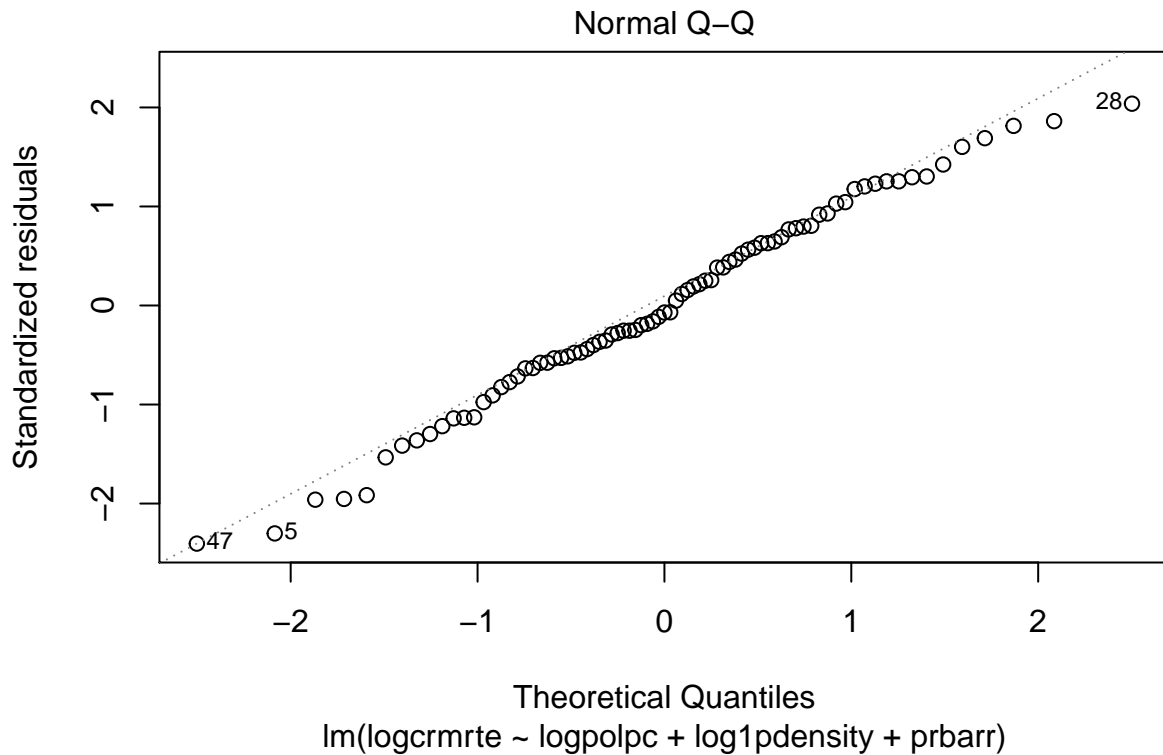
```
logcrmrte.lm1 = lm( logcrmrte ~ logpolpc + log1pdensity + prbarr , data=crime1)
logcrmrte.lm1
```

```
##
## Call:
## lm(formula = logcrmrte ~ logpolpc + log1pdensity + prbarr, data = crime1)
##
## Coefficients:
## (Intercept)      logpolpc  log1pdensity      prbarr
##      0.2349       0.5674       0.4545      -1.3148
plot(logcrmrte.lm1, which = 1)
```



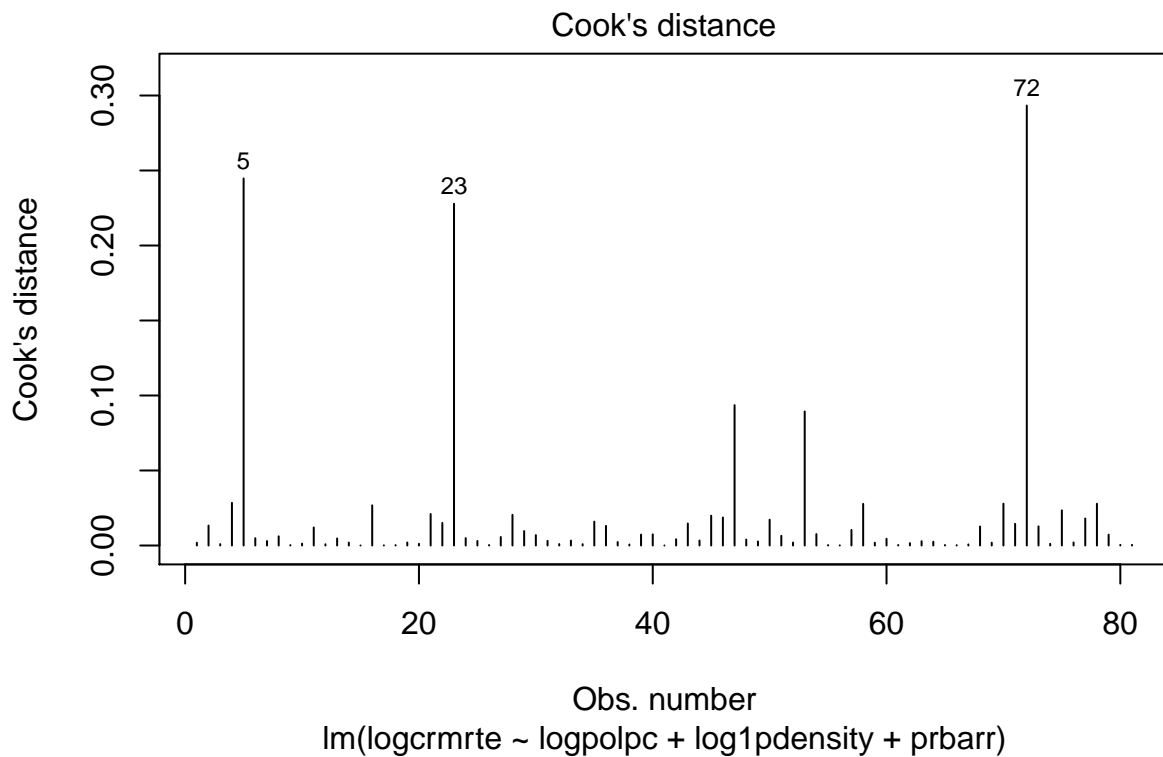
The regression lines is close to 0 residual. This indicates there is a linear relationship among logcrmrte with logpolpc + log1pdensity.

```
plot(logcrmrte.lm1, which = 2)
```



The Normal QQ plot is roughly on a straight line. This indicates that our data has been sourced from a normal distribution

```
plot(logcrmrte.lm1, which = 4)
```



None of the points have Cook's distance greater than 1. However, Points 5, 23 and 72 have higher leverage than all other points. Let us observe the points:

```
crime1[5,]
```

```
##   county year   crmrte  prbarr   prbconv prbpris avgsen   polpc
## 5      11   87 0.0146067 0.524664 0.068376102    0.5    13 0.00288203
##   density   taxpc west central urban pctmin80   wcon   wtuc
## 5 0.6113361 35.22974    1      0      0  1.5407 250.4006 401.3378
##   wtrd   wfir   wser  wmfg  wfed  wsta  wloc   mix  pctymle
## 5 187.8255 258.565 237.1507 258.6 391.48 325.71 275.22 0.3195266 0.0989192
##   prbconv_cast regionofcrime logcrmrte logavgsen logpolpc loglpdensity
## 5    0.0683761          WEST -4.226275  2.564949 -5.84926   0.4770637
```

```
crime1[23,]
```

```
##   county year   crmrte  prbarr   prbconv prbpris avgsen   polpc
## 23    55   87 0.0790163 0.224628 0.207830995 0.304348 13.57 0.00400962
##   density   taxpc west central urban pctmin80   wcon   wtuc
## 23 0.5115089 119.7615    0      0      0  6.49622 309.5238 445.2762
##   wtrd   wfir   wser  wmfg  wfed  wsta  wloc   mix
## 23 189.7436 284.5933 221.3903 319.21 338.91 361.68 326.08 0.08437271
##   pctymle prbconv_cast regionofcrime logcrmrte logavgsen logpolpc
## 23 0.07613807    0.207831      UNKNOWN -2.538101  2.607861 -5.519059
##   loglpdensity
## 23    0.4131085
```

```
crime1[72,]
```

```
##   county year   crmrte  prbarr   prbconv prbpris avgsen   polpc
## 72    173   87 0.0139937 0.530435 0.327868998    0.15    6.64 0.00316379
##   density   taxpc west central urban pctmin80   wcon   wtuc
## 72 2.03422e-05 37.72702    1      0      0 25.3914 231.696 213.6752
##   wtrd   wfir   wser  wmfg  wfed  wsta  wloc   mix
## 72 175.1604 267.094 204.3792 193.01 334.44 414.68 304.32 0.4197531
##   pctymle prbconv_cast regionofcrime logcrmrte logavgsen logpolpc
## 72 0.07462687    0.327869          WEST -4.269148  1.893112 -5.755985
##   loglpdensity
## 72 2.034199e-05
```

### Checking for multicollinearity

```
## Reference: https://www.r-bloggers.com/collinearity-and-stepwise-vif-selection/
## https://datascienceplus.com/multicollinearity-in-r/
vif(logcrmrte.lm1)
```

```
##   logpolpc loglpdensity   prbarr
##   1.249780    1.518756    1.256574
```

Since vif output for both the variables is less than 10, there does not exist a multicollinearity between the variables.

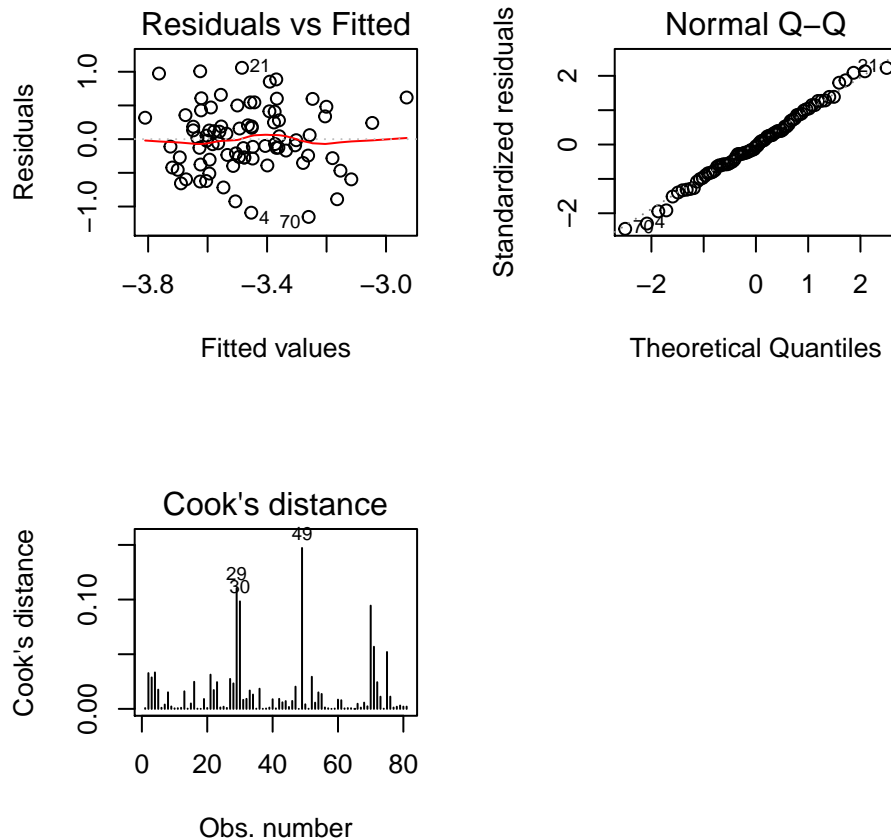
### Model 2: Wage variable wcon

$\log(\text{crime rate}) = \log(\beta_0 + \beta_1 \cdot \text{wcon} + \text{error})$

```
logcrmrte.lm2 = lm( logcrmrte ~ wcon, data=crime1)
logcrmrte.lm2
```

```
##
## Call:
## lm(formula = logcrmrte ~ wcon, data = crime1)
##
## Coefficients:
## (Intercept)      wcon
## -4.510458      0.003617
```

```
par(mfrow = c(2,2))
plot(logcrmrte.lm2, which = c(1,2,4))
par(mfrow = c(1,1))
```



The regression lines is close to 0 residual. This indicates there is a linear relationship among logcrmrte with wcon. The Normal QQ plot is roughly on a straight line. This indicates that our data has been sourced from a normal distribution. None of the points have Cook's distance greater than 1.

## Model 2: Wage variable wmfg

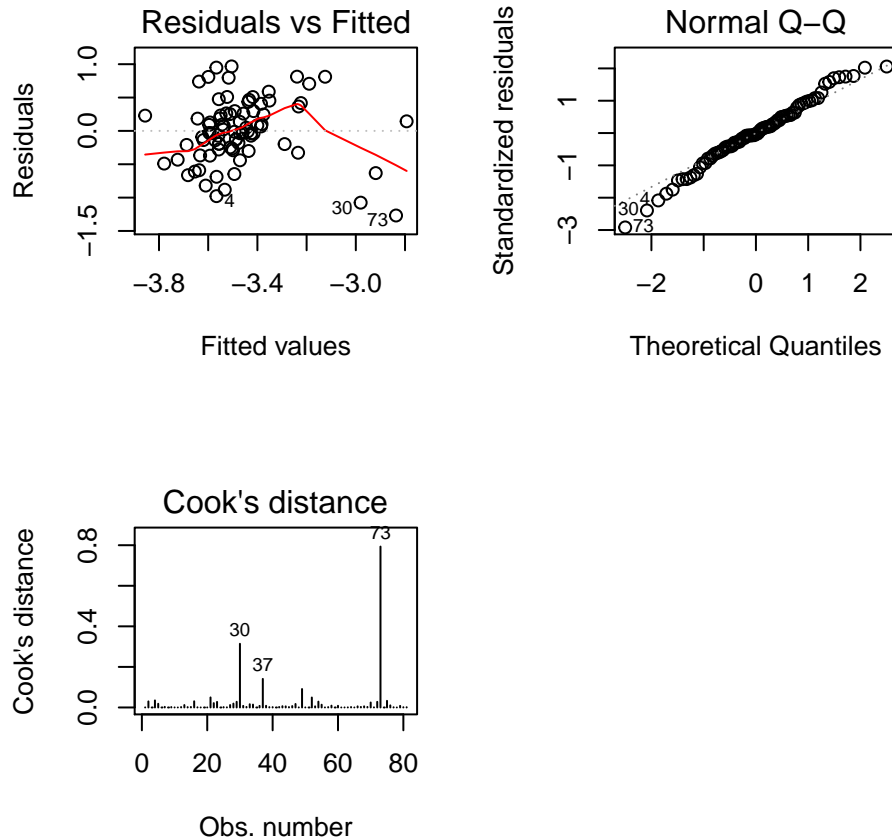
$\log(\text{crime rate}) = \log(\beta_0 + \beta_1 \cdot \text{wmfg} + \text{error})$

```
logcrmrte.lm3 = lm(logcrmrte ~ wmfg, data = crime1)
logcrmrte.lm3
```

```
##
## Call:
## lm(formula = logcrmrte ~ wmfg, data = crime1)
##
## Coefficients:
```

```
## (Intercept)      wmfgr
## -4.198123      0.002172

par(mfrow =c(2,2))
plot(logcrmrte.lm3,which=c(1,2,4))
par(mfrow =c(1,1))
```



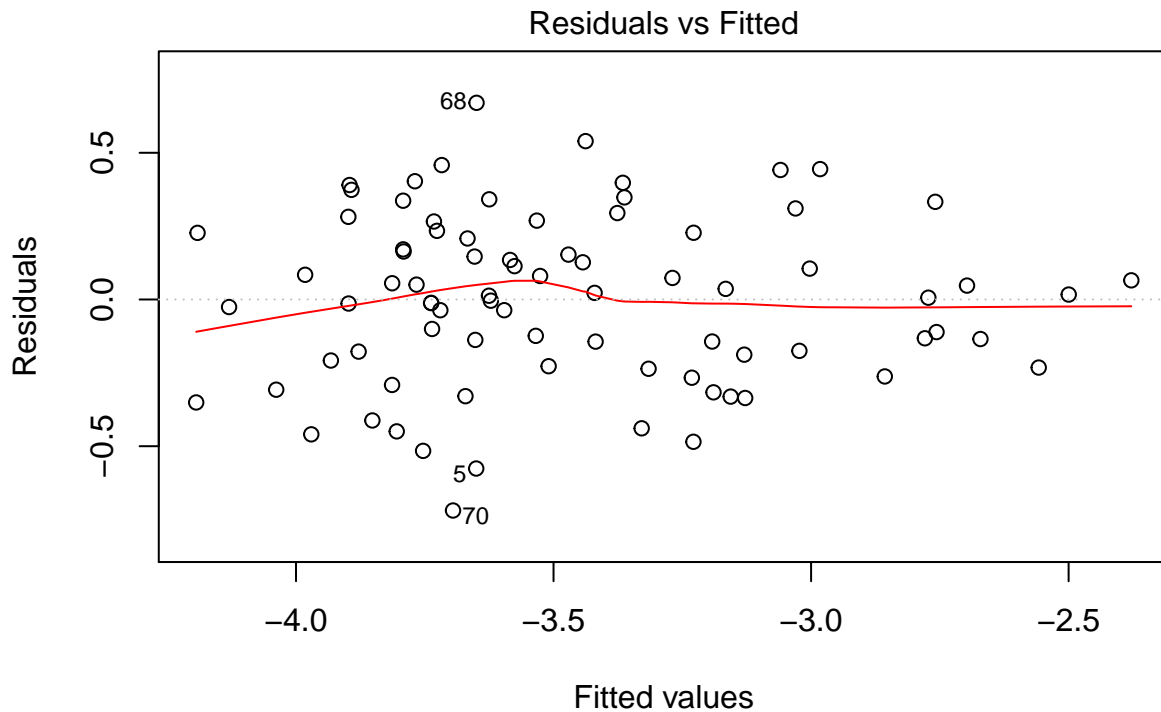
The regression lines is varying from residual 0. This indicates there is no linear relationship between logcrmrte and wmfgr. The Normal QQ plot is roughly on a stright line. This indicates that our data has been sourced from a normal distribution None of the points have Cook's distance greater than 1.

### Model 3: All variables with strong positive or negative correlation

```
logcrmrte.lm3 = lm( logcrmrte ~ logpolpc + loglpdensity +prbarr + wcon + wser + wfed + wloc, data=crime1)
logcrmrte.lm3
```

```
##
## Call:
## lm(formula = logcrmrte ~ logpolpc + loglpdensity + prbarr + wcon +
##      wser + wfed + wloc, data = crime1)
##
## Coefficients:
## (Intercept)      logpolpc  loglpdensity      prbarr          wcon
##  0.1163312    0.5837347    0.4703757   -1.4184433    0.0003637
##          wser          wfed          wloc
## -0.0036034    0.0013687    0.0014368
```

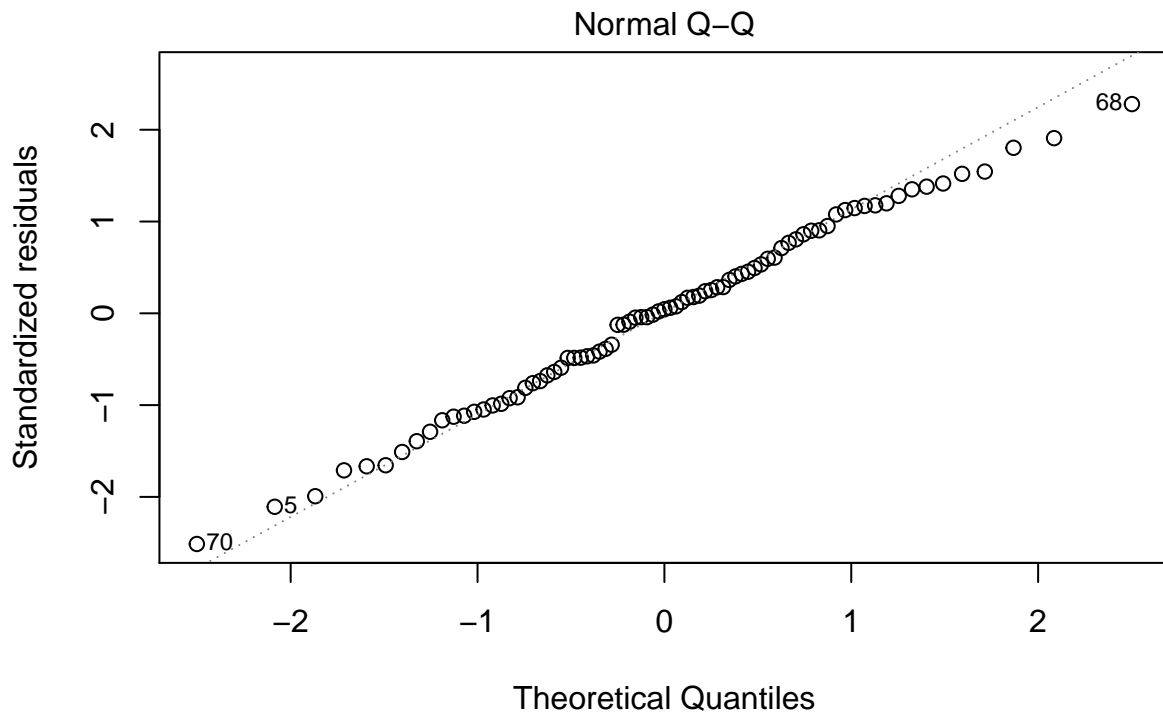
```
plot(logcrmrte.lm3, which =1)
```



$\text{lm}(\text{logcrmrte} \sim \text{logpolpc} + \text{log1pdensity} + \text{prbarr} + \text{wcon} + \text{wser} + \text{wfed} + \text{wloc} \dots)$

The regression lines is close to 0 residual. This indicates there is a linear relationship between logcrmrte and (logpolpc + log1pdensity + prbarr + wcon + wser + wfed + wloc)

```
plot(logcrmrte.lm3, which =2)
```

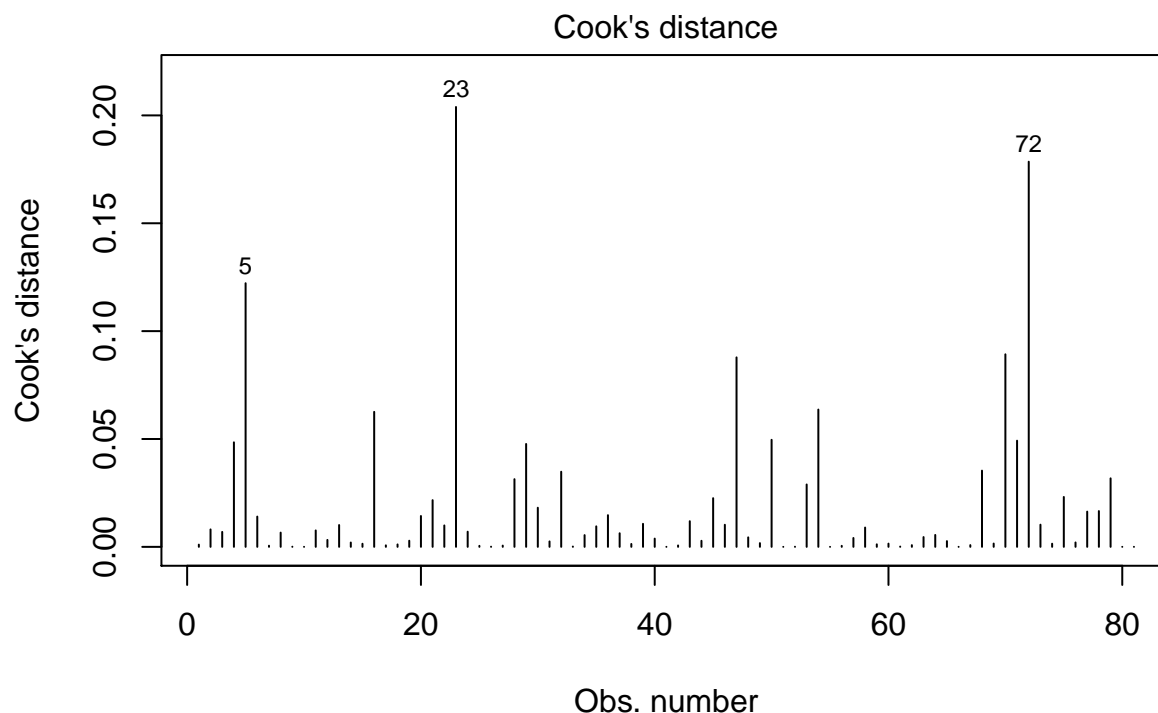


$\text{lm}(\text{logcrmrte} \sim \text{logpolpc} + \text{log1pdensity} + \text{prbarr} + \text{wcon} + \text{wser} + \text{wfed} + \text{wloc} \dots)$



The Normal QQ plot is roughly on a stright line. This indicates that our data has been sourced from a normal distribution

```
plot(logcrmrte.lm3, which =4)
```



`lm(logcrmrte ~ logpolpc + log1pdensity + prbarr + wcon + wser + wfed + wloc ...`

None of the points have Cook's distance greater than 1. However, Points 5, 23 and 72 have higher leverage than all other points.

```
vif(logcrmrte.lm3)
```

```
##      logpolpc log1pdensity      prbarr      wcon      wser
##      1.264598      2.420224      1.277392      1.769968      2.189740
##           wfed           wloc
##           2.108466           1.989238
```

There is no multicollinearity since none of the vif values are more than 10.

`## The Akaike information criterion (AIC) is an estimator of the relative quality of statistical models`

```
AIC(logcrmrte.lm1, logcrmrte.lm2, logcrmrte.lm3)
```

```
##           df      AIC
## logcrmrte.lm1  5 49.47324
## logcrmrte.lm2  3 114.18145
## logcrmrte.lm3  9 45.44501
```

Based on the AIC output logcrmrte.lm1 or logcrmrte.lm3 is preferred.

```
stargazer(logcrmrte.lm1, logcrmrte.lm2, logcrmrte.lm3, type = "latex",
  report = "vc", # Don't report errors, since we haven't covered them
  title = "Linear Models Predicting Crime rate per persone",
  keep.stat = c("rsq", "n"),
  omit.table.layout = "n") # Omit more output related to errors
```

% Table created by stargazer v.5.2 by Marek Hlavac, Harvard University. E-mail: hlavac at fas.harvard.edu

% Date and time: Mon, Mar 26, 2018 - 01:32:36

Table 1: Linear Models Predicting Crime rate per persone

	<i>Dependent variable:</i>		
	logcrmrte		
	(1)	(2)	(3)
logpolpc	0.567		0.584
log1pdensity	0.455		0.470
prbarr	-1.315		-1.418
wcon		0.004	0.0004
wser			-0.004
wfed			0.001
wloc			0.001
Constant	0.235	-4.510	0.116
Observations	81	81	81
R <sup>2</sup>	0.622	0.118	0.674