STAT 530: Applied Regression Analysis Fall 2022

Project Report

Predicting Life Expectancy using Multiple Linear Regression model

Team

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OVERVIEW:

In this project we perform analysis on various factors affecting the Life Expectancy. This will help in suggesting a country which factor should be given importance in order to efficiently improve the life expectancy of its population.

DATA DESCRIPTION:

The Life Expectancy Dataset is taken from the Kaggle using below URL:

https://www.kaggle.com/datasets/kumarajarshi/life-expectancy-who

It has Life Expectancy records from year 2000-2015 for 193 countries. The Dataset contains 2938 rows and 22 columns. The 22 columns include 20 numerical variables and 2 categorical variables.

Categorical Variables: Country, Status (Developed or Developing status)

Numerical Variables: Life Expectancy (Target Variable), Year, Adult Mortality, Infant Deaths, Alcohol,

Percentage Expenditure, Hepatitis B, Measles, BMI, under-five deaths, Polio, Total expenditure,

Diphtheria, HIV/AIDS, GDP, Population, thinness 1-19 years, thinness 5-9 years, Income composition of resources, Schooling

INSTALLING AND IMPORTING REQUIRED LIBRARIES:

```
#install.packages("dplyr")
#install.packages("car")
#install.packages("leaps")
#options(scipen=999)
library(dplyr)
library(car)
library(leaps)
```

LOADING THE DATASET AND CHECKING THE DIMENSIONS OF THE DATASET:

```
> setwd('C:\\Users\\arunr\\Downloads')
> data = read.csv("Life Expectancy Data.csv",header=T)
> dim(data)
[1] 2938 22
```

We can see that the data contains 2938 rows and 22 columns in which 20 columns are numerical variables and 2 columns are categorical variables

CHECKING FOR THE NULL VALUES AND REMOVING THE ROWS CONTAINING NULL VALUES:

The data contains 2563 null values. After removing the null values, the data contains 1649 rows and 22 columns

CHECKING FOR CORRELATIONS BETWEEN ALL NUMERICAL VARIABLES USING CORRELATION MATRIX AND SCATTER PLOTS:

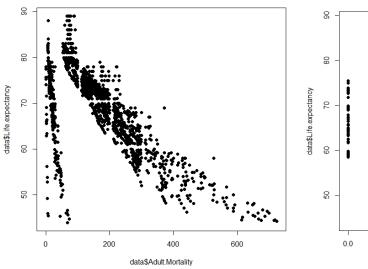
```
> data_numeric = select_if(data, is.numeric)
> dim(data_numeric)
[1] 1649     20
> cor_data = cor(data_numeric)
```

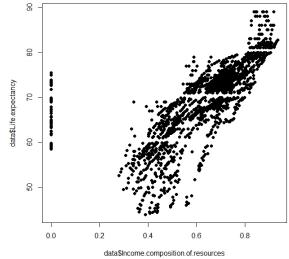
*	Year	Life.expectancy	Adult.Mortality	infant.deaths	Alcohol	percentage.expenditure	Hepatitis.B	Measles	BMI	under.five.deaths
Year	1.000000000	0.05077103	-0.037091782	0.008029128	-0.11336476	0.06955347	0.11489709	-0.053822046	0.005739061	0.0104785
Life.expectancy	0.050771035	1.00000000	-0.702523062	-0.169073804	0.40271832	0.40963082	0.19993528	-0.068881222	0.542041588	-0.1922653
Adult.Mortality	-0.037091782	-0.70252306	1.000000000	0.042450237	-0.17553509	-0.23760989	-0.10522544	-0.003966685	-0.351542478	0.0603650
infant.deaths	0.008029128	-0.16907380	0.042450237	1.000000000	-0.10621692	-0.09076463	-0.23176894	0.532679832	-0.234425154	0.9969056
Alcohol	-0.113364764	0.40271832	-0.175535086	-0.106216917	1.00000000	0.41704736	0.10988939	-0.050110235	0.353396205	-0.1010821
percentage.expenditure	0.069553468	0.40963082	-0.237609890	-0.090764632	0.41704736	1.00000000	0.01676017	-0.063070789	0.242738243	-0.0921580
Hepatitis.B	0.114897092	0.19993528	-0.105225443	-0.231768937	0.10988939	0.01676017	1.00000000	-0.124799993	0.143301786	-0.2407660
Measles	-0.053822046	-0.06888122	-0.003966685	0.532679832	-0.05011023	-0.06307079	-0.12479999	1.000000000	-0.153245464	0.5175055
BMI	0.005739061	0.54204159	-0.351542478	-0.234425154	0.35339621	0.24273824	0.14330179	-0.153245464	1.000000000	-0.2421374
under.five.deaths	0.010478594	-0.19226530	0.060365026	0.996905622	-0.10108216	-0.09215806	-0.24076603	0.517505563	-0.242137398	1.0000000
Polio	-0.016698803	0.32729440	-0.199853000	-0.156928805	0.24031453	0.12862605	0.46333080	-0.057850133	0.186267965	-0.1711641
Total.expenditure	0.059492777	0.17471764	-0.085226535	-0.146951117	0.21488509	0.18387236	0.11332668	-0.113582738	0.189468964	-0.1458031
Diphtheria	0.029640586	0.34133123	-0.191428759	-0.161871004	0.24295143	0.13481324	0.58898993	-0.058605907	0.176294503	-0.1784481
HIV.AIDS	-0.123404990	-0.59223629	0.550690745	0.007711547	-0.02711264	-0.09508499	-0.09480197	-0.003521854	-0.210896746	0.0194759
GDP	0.096421485	0.44132181	-0.255034733	-0.098092020	0.44343279	0.95929886	0.04184950	-0.064767590	0.266113973	-0.1003312
Population	0.012566893	-0.02230498	-0.015011838	0.671758310	-0.02888023	-0.01679214	-0.12972265	0.321946377	-0.081415982	0.6586796
thinness1.19.years	0.019756611	-0.45783819	0.272230044	0.463415256	-0.40375499	-0.25503460	-0.12940595	0.180641506	-0.547017514	0.4647847
thinness.5.9.years	0.014122422	-0.45750829	0.286722882	0.461907925	-0.38620819	-0.25563544	-0.13325099	0.174946217	-0.554093981	0.4622893
me.composition.of.resources	0.122891780	0.72108259	-0.442203288	-0.134753863	0.56107433	0.40216974	0.18492097	-0.058277256	0.510504831	-0.1480972
Schooling	0.088731787	0.72763003	-0.421170523	-0.214371900	0.61697481	0.42208845	0.21518159	-0.115660481	0.554843903	-0.2260126

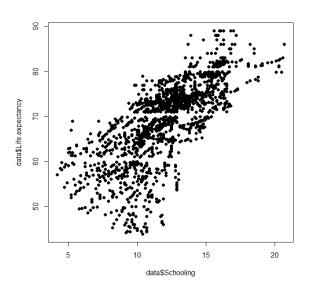
•	Polio	Total.expenditure	Diphtheria	HIV.AIDS	GDP =	Population **	thinness1.19.years	thinness.5.9.years	Income.composition.of.resources	Schooling
Year	-0.01669880	0.05949278	0.02964059	-0.123404990	0.09642148	0.012566893	0.01975661	0.01412242	0.122891780	0.08873179
Life.expectancy	0.32729440	0.17471764	0.34133123	-0.592236293	0.44132181	-0.022304978	-0.45783819	-0.45750829	0.721082593	0.72763003
Adult.Mortality	-0.19985300	-0.08522653	-0.19142876	0.550690745	-0.25503473	-0.015011838	0.27223004	0.28672288	-0.442203288	-0.42117052
infant.deaths	-0.15692881	-0.14695112	-0.16187100	0.007711547	-0.09809202	0.671758310	0.46341526	0.46190792	-0.134753863	-0.21437190
Alcohol	0.24031453	0.21488509	0.24295143	-0.027112636	0.44343279	-0.028880232	-0.40375499	-0.38620819	0.561074332	0.61697481
percentage.expenditure	0.12862605	0.18387236	0.13481324	-0.095084991	0.95929886	-0.016792141	-0.25503460	-0.25563544	0.402169736	0.42208845
Hepatitis.B	0.46333080	0.11332668	0.58898993	-0.094801971	0.04184950	-0.129722655	-0.12940595	-0.13325099	0.184920970	0.21518159
Measles	-0.05785013	-0.11358274	-0.05860591	-0.003521854	-0.06476759	0.321946377	0.18064151	0.17494622	-0.058277256	-0.11566048
BMI	0.18626797	0.18946896	0.17629450	-0.210896746	0.26611397	-0.081415982	-0.54701751	-0.55409398	0.510504831	0.55484390
under.five.deaths	-0.17116419	-0.14580310	-0.17844819	0.019475927	-0.10033126	0.658679691	0.46478470	0.46228938	-0.148097276	-0.22601262
Polio	1.00000000	0.11976798	0.60924547	-0.107885468	0.15680869	-0.045386572	-0.16406959	-0.17448925	0.314681594	0.35014660
Total.expenditure	0.11976798	1.00000000	0.12991481	0.043100657	0.18037347	-0.079962237	-0.20987232	-0.21786479	0.183653190	0.24378345
Diphtheria	0.60924547	0.12991481	1.00000000	-0.117601074	0.15843774	-0.039897537	-0.18724165	-0.18095238	0.343261772	0.35039793
HIV.AIDS	-0.10788547	0.04310066	-0.11760107	1.000000000	-0.10808060	-0.027800562	0.17259177	0.18314673	-0.248589855	-0.21184020
GDP	0.15680869	0.18037347	0.15843774	-0.108080600	1.00000000	-0.020368964	-0.27749835	-0.27795855	0.446855511	0.46794697
Population	-0.04538657	-0.07996224	-0.03989754	-0.027800562	-0.02036896	1.000000000	0.28252928	0.27791337	-0.008132466	-0.04031242
thinness1.19.years	-0.16406959	-0.20987232	-0.18724165	0.172591767	-0.27749835	0.282529280	1.00000000	0.92791344	-0.453678854	-0.49119921
thinness.5.9.years	-0.17448925	-0.21786479	-0.18095238	0.183146727	-0.27795855	0.277913374	0.92791344	1.00000000	-0.438483721	-0.47248203
ncome.composition.of.resources	0.31468159	0.18365319	0.34326177	-0.248589855	0.44685551	-0.008132466	-0.45367885	-0.43848372	1.000000000	0.78474058
Schooling	0.35014660	0.24378345	0.35039793	-0.211840201	0.46794697	-0.040312419	-0.49119921	-0.47248203	0.784740581	1.00000000

From the correlation matrix we can see that the target variable (Life Expectancy) is highly correlated with 3 numerical variables Adult Mortality, Income composition of resources, Schooling.

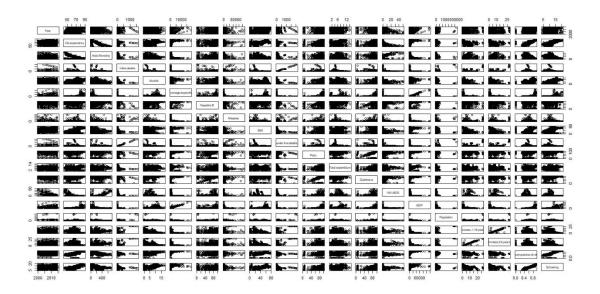
- Correlation between Life Expectancy and Adult Mortality is -0.70252306
- Correlation between Life Expectancy and Income composition of resources is 0.72108259
- Correlation between Life Expectancy and Schooling is 0.72763003







Scatter plot of between all numerical variables:

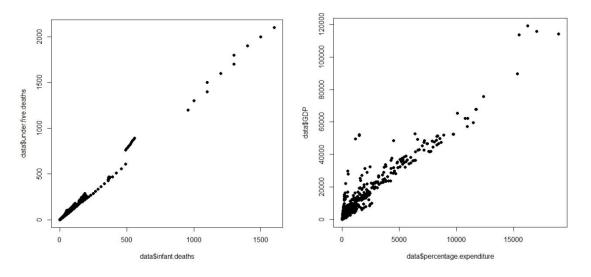


From the correlation matrix and scatter plot of all numerical variables we can see that there exists some multicollinearity between the explanatory variables (i.e., X variables) itself.

CHECKING THE MULTICOLLINEARITY BETWEEN THE EXPLANATORY VARIABLES USING VARIANCE INFLATION FACTOR (VIF):

```
> model1 <- lm(Life.expectancy ~ . , data=data_numeric)</pre>
> vif(model1)
                                                   Adult.Mortality
                                                                                       infant.deaths
                            Year
                                                                                          213.609554
                        1.157920
                                                          1.809171
                         Alcohol
                                           percentage.expenditure
                                                                                         Hepatitis.B
                        2.067310
                                                         12.904426
                                                                                            1.680406
                         Measles
                                                                                   under.five.deaths
                        1.516630
                                                          1.802986
                                                                                          203.591034
                                                 Total.expenditure
                                                                                          Diphtheria
                           Polio
                        1.722414
                                                          1.124370
                                                                                            2.094307
                        HIV. AIDS
                                                                                          Population
                                                         13.649710
                        1.500870
                                                                                            1.943421
           thinness..1.19.years
                                                thinness.5.9.years Income.composition.of.resources
                        7.606109
                                                          7.584832
                                                                                            3.028945
                       Schooling
                        3.538093
```

We are using just the numerical data in the model for finding VIF. From the above image we can see that VIF for infant deaths and under five deaths is high (i.e., >10) which indicates that both these are highly correlated, also the VIF for percentage expenditure and GDP is high (i.e., >10) which indicates both of these are highly correlated. Let's check this using scatter plots.



Removing one of the infant deaths variable or under five deaths variable based on which variable having less correlation with the life expectancy (target variable)

```
> cor(data$Life.expectancy, data$infant.deaths)
[1] -0.1690738
> cor(data$Life.expectancy, data$under.five.deaths)
[1] -0.1922653
```

We can see that infant deaths variable is less correlated with life expectancy when compared with under five deaths variable

Removing one of the percentage expenditure variable or GDP variable based on which variable having less correlation with the life expectancy (target variable)

```
> cor(data$Life.expectancy, data$percentage.expenditure)
[1] 0.4096308
> cor(data$Life.expectancy, data$GDP)
[1] 0.4413218
```

We can see that percentage expenditure variable is less correlated with life expectancy when compared with GDP variable

Therefore, we remove the infant deaths variable and percentage expenditure variable from the data

```
> data <- subset(data, select = -c(infant.deaths,percentage.expenditure))
> dim(data)
[1] 1649 20
```

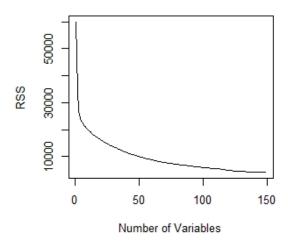
After removing the infant deaths variable and percentage expenditure variable the data contains 20 columns (i.e 18 numerical, 2 categorical) which includes life expectancy (i.e., target variable) as well.

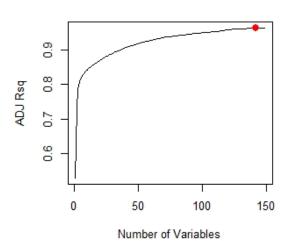
MODEL SELECTION BY FORWARD SELECTION:

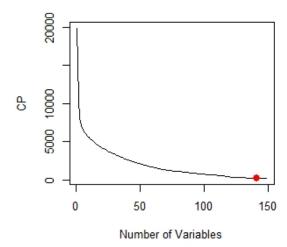
```
> regfit.fwd = regsubsets(Life.expectancy ~ . , data=data, nvmax=150, method="forward")
> reg.fwd = summary(regfit.fwd)
```

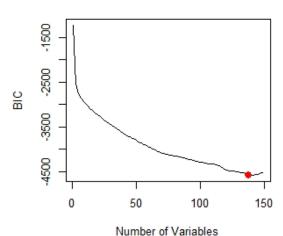
The nvmax=150 because there is total 150 explanatory variables including the indicator variables of the two categorical variables (i.e., country, status).

```
> par(mfrow=c(2,2))
> reg.summary=reg.fwd;
> plot(reg.summary$rss,xlab="Number of Variables",ylab="RSS",type="l")
> plot(reg.summary$adjr2,xlab="Number of Variables",ylab="ADJ Rsq",type="l")
> which.max(reg.summary$adjr2)
[1] 142
> points(142,reg.summary$adjr2[142],col="red",cex=2,pch=20)
> plot(reg.summary$cp,xlab="Number of Variables",ylab="CP",type="l")
> which.min(reg.summary$cp)
[1] 141
> points(141, reg.summary$cp[141], col="red",cex=2,pch=20)
> which.min(reg.summary$bic)
[1] 138
> plot(reg.summary$bic, xlab="Number of Variables", ylab="BIC",type="l")
> points(138, reg.summary$bic[138], col="red", cex=2, pch=20)
```









From the graphs we can see that the Adjusted R² value is high at 142 explanatory variables

```
> coef(regfit.fwd,142)
```

End part of the above code result looks like below:

```
CountryZimbabwe
                                                                      Adult.Mortality
-8.1540830699929163
                                 0.2839591509432413
                                                                 -0.0023711990807554
            Alcohol
                                         Hepatitis.B
                                                                              Measles
                                 0.0045080927152851
                                                                 -0.0000023508533540
-0.1229663872189872
 under.five.deaths
                                               Polio
-0.0025257718689371
                                 0.0004668737998839
                                                                 -0.0000013196685115
                                 thinness.5.9.years Income.composition.of.resources
         Population
 0.0000000004691167
                                 0.0085217973723671
                                                                  0.4383752953674996
          Schooling
                                    StatusDeveloping
 0.2385763940029021
                               -21.5578503830794581
```

These 142 explanatory variables include all the indicator variables of Country variable along with Year, Adult Mortality, Alcohol, Hepatitis B, Measles, under five deaths, Polio, GDP, Population, thinness 5-9 years, Income composition of resources, Schooling and Status variables

Fitting the model based on the features obtained from forward selection:

```
> model2 <- lm(Life.expectancy ~ Country+ Year+ Adult.Mortality+ Alcohol+ Hepatitis.B+ Measles
+ under.five.deaths+ Polio+ GDP+ Population+ thinness.5.9.years+ Income.composition.of.resources
+ Schooling+ Status, data=data)
> summary(model2)
```

The below image shows the last few lines of summary(model2) output:

```
-1.9444059695864
CountryZambia
                                                         0.8515971134736 -2.283
                                                                                                0.022555
CountryZimbabwe
                                    -8.1008253036621
                                                         0.7597218459569 -10.663 < 0.0000000000000000 ***
                                     0.2867511511712
                                                         0.0188424445257
                                                                           15.218 < 0.0000000000000000 ***
Adult.Mortality
                                    -0.0023690235466
                                                         0.0005978989353
                                                                           -3.962
                                                                                    0.00007772478383805 ***
Alcohol
                                    -0.1277572693302
                                                         0.0336582340681
                                                                            -3.796
                                                                                                0.000153 ***
Hepatitis.B
                                     0.0043100224095
                                                         0.0024688885527
                                                                            1.746
                                                                                                0.081061
Measles
                                    -0.0000024464190
                                                         0.0000072100530
                                                                           -0.339
                                                                                                0.734426
under.five.deaths
                                                         0.0018257923685
                                    -0.0025797239043
                                                                            -1.413
                                                                                                0.157882
                                                         0.0027498237930
                                     0.0005554736732
Polio
                                                                            0.202
                                                                                                0.839941
                                    -0.0000012085788
                                                         0.0000063354944
                                                                                                0.848737
GDP
                                                                            -0.191
                                     0.0000000004602
                                                         0.000000010008
Population
                                                                            0.460
                                                                                                0.645681
thinness. 5.9. years
                                     0.0094404890562
                                                         0.0285799708438
                                                                            0.330
                                                                                                0.741205
                                                         0.6609891776811
Income.composition.of.resources
                                     0.4298337613873
                                                                            0.650
                                                                                                0.515605
                                                                                                0.011427 *
Schooling
                                     0.2208440869874
                                                         0.0872042866575
                                                                            2.532
StatusDeveloping
                                                                                                      NA
Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' '1
Residual standard error: 1.866 on 1504 degrees of freedom Multiple R-squared: 0.9589, Adjusted R-squared: 0.95
                                 Adjusted R-squared: 0.955
F-statistic: 243.9 on 144 and 1504 DF, p-value: < 0.00000000000000022
```

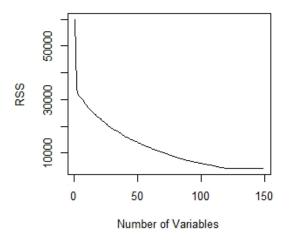
The Adjusted R² for this forward selection model is 0.955

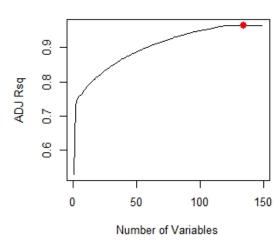
MODEL SELECTION BY BACKWARD SELECTION:

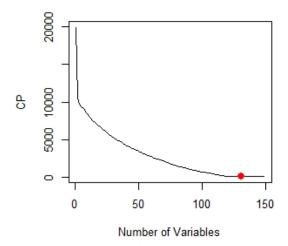
```
> regfit.bwd = regsubsets(Life.expectancy ~ . , data=data, nvmax=150, method="backward")
> reg.bwd = summary(regfit.bwd)
```

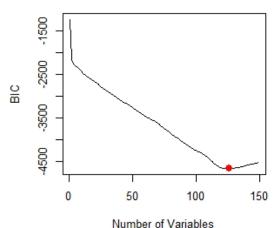
The nvmax=150 because there is total 150 explanatory variables including the indicator variables of the two categorical variables (i.e., country, status).

```
> par(mfrow=c(2,2))
> reg.summary=reg.bwd;
> plot(reg.summary$rss,xlab="Number of Variables",ylab="RSS",type="l")
> plot(reg.summary$adjr2,xlab="Number of Variables",ylab="ADJ Rsq",type="l")
> which.max(reg.summary$adjr2)
[1] 134
> points(134,reg.summary$adjr2[134],col="red",cex=2,pch=20)
> plot(reg.summary$cp,xlab="Number of Variables",ylab="CP",type="l")
> which.min(reg.summary$cp)
[1] 131
> points(131, reg.summary$cp[131], col="red",cex=2,pch=20)
> which.min(reg.summary$bic)
[1] 126
> plot(reg.summary$bic, xlab="Number of Variables", ylab="BIC",type="l")
> points(126, reg.summary$bic[126], col="red", cex=2, pch=20)
```









From the graphs we can see that the Adjusted R² value is high at 134 explanatory variables

```
> coef(regfit.bwd,134)
```

End part of the above code result looks like below:

```
Alcohol
                                                                                     Hepatitis.B
                 0.295415048020
                                                 -0.132677336854
                                                                                  0.004487457222
                        Measles
                                                           Polio
                                                                                              GDP
                -0.000004520826
                                                 -0.001057049908
                                                                                 -0.000001780426
Income.composition.of.resources
                                                       Schooling
                                                                                StatusDeveloping
                                                 0.218689862019
                 0.683927127444
                                                                                  0.000000000000
```

These 134 explanatory variables include all the indicator variables of Country variable along with Year, Alcohol, Hepatitis B, Measles, Polio, GDP, Income composition of resources, Schooling and Status variables.

Fitting the model based on the features obtained from backward selection:

The below image shows the last few lines of summary(model3) output:

```
0.810133787 -2.699
                                  -2.186224132
                                                                                  0.007041 **
CountryZambia
                                                  0.706430418 -12.052 < 0.0000000000000000 ***
CountryZimbabwe
                                  -8.513677607
                                   0.294838908
                                                  0.018685464
                                                              15.779 < 0.0000000000000000 ***
Year
                                                                                  0.000160 ***
Alcohol
                                  -0.127668222
                                                  0.033727436
                                                               -3.785
                                                                                  0.069818 .
Hepatitis.B
                                   0.004473663
                                                  0.002465671
                                                                1.814
                                                  0.000007118
Measles
                                  -0.000003216
                                                               -0.452
                                                                                  0.651482
Polio
                                   0.000613963
                                                  0.002760895
                                                                0.222
                                                                                  0.824050
                                  -0.000001735
                                                  0.000006362
                                                               -0.273
                                                                                  0.785090
                                                                                  0.502779
Income.composition.of.resources
                                   0.444851310
                                                  0.663674794
                                                               0.670
                                                  0.087046331
                                                                                  0.006733 **
Schooling
                                   0.236203180
                                                                2.714
StatusDeveloping
                                            NA
                                                           NA
                                                                   NA
                                                                                        NA
Signif. codes: 0 '*** 0.001 '** 0.01 '* 0.05 '. '0.1 ' '1
Residual standard error: 1.874 on 1508 degrees of freedom
Multiple R-squared: 0.9585,
                               Adjusted R-squared: 0.9546
F-statistic: 248.6 on 140 and 1508 DF, p-value: < 0.0000000000000000022
```

The Adjusted R² for this forward selection model is 0.9546

From both the forward selection model(model2) and backward selection model(model3) we choose the forward selection model finally because it has higher Adjusted R² value (i.e., 0.955 > 0.9546)

ANALYSIS OF MODEL2

The below image shows the last few lines of summary(model2) output:

```
CountryZambia
                                       -1.9444059695864
                                                             0.8515971134736
                                                                                -2.283
                                                                                                      0.022555 *
                                                             0.7597218459569 -10.663 < 0.00000000000000002 ***
CountryZimbabwe
                                       -8.1008253036621
                                       0.2867511511712
                                                             0.0188424445257
                                                                                15.218 < 0.0000000000000000 ***
                                                                                         0.00007772478383805 ***
Adult.Mortality
                                      -0.0023690235466
                                                             0.0005978989353
                                                                                -3.962
                                                                                -3.796
1.746
                                                                                                      0.000153 ***
Alcohol
                                      -0.1277572693302
                                                             0.0336582340681
                                      0.0043100224095
-0.0000024464190
                                                                                                      0.081061
Hepatitis.B
                                                             0.0024688885527
                                                             0.0000072100530
                                                                                                      0.734426
                                                                                 -0.339
Measles
under.five.deaths
                                                             0.0018257923685
                                       -0.0025797239043
                                                                                                      0.157882
                                                                                 -1.413
                                       0.0005554736732
Polio
                                                             0.0027498237930
                                                                                 0.202
                                                                                                      0.839941
GDP
                                       -0.0000012085788
                                                             0.0000063354944
                                                                                                      0.848737
                                                                                 -0.191
Population
                                       0.0000000004602
                                                             0.000000010008
                                                                                 0.460
                                                                                                      0.645681
thinness.5.9.years
                                       0.0094404890562
                                                             0.0285799708438
                                                                                 0.330
                                                                                                      0.741205
                                       0.4298337613873
                                                             0.6609891776811
                                                                                                      0.515605
Income.composition.of.resources
                                                                                 0.650
Schooling
                                       0.2208440869874
                                                             0.0872042866575
                                                                                 2.532
                                                                                                      0.011427 *
StatusDeveloping
                                                                                                             NA
Signif. codes: 0 '*** 0.001 '** 0.01 '* 0.05 '.' 0.1 ' '1
Residual standard error: 1.866 on 1504 degrees of freedom Multiple R-squared: 0.9589, Adjusted R-squared: 0.95
Multiple R-squared: 0.9589, Adjusted R-squared: 0.955
F-statistic: 243.9 on 144 and 1504 DF, p-value: < 0.00000000000000022
```

The fitted line is:

```
Life Expectancy = -518.985 + 15.741*CountryAlbania + 13.818*CountryAlgeria + .....
```

- 8.100*CountryZimbabwe + 0.2867*Year -0.0023*Adult Mortality -0.1277*Alcohol
- + 0.0043*Hepatitis B 0.000024*Measles 0.00259*under five deaths
- + 0.00055*Polio 0.0000012*GDP + 0.000000004602*Population
- + 0.0094*thinness 5-9 years + 0.4298*Income composition of resources
- + 0.2208*schooling

Here the represents the sum of different country indicator variables multiplied with their respective coefficients obtained from the model

Let's perform Hypothesis Test on certain explanatory variables to check their significance with the model

Hypothesis test to check the significance of Alcohol in model2:

```
Alcohol -0.1277572693302 0.0336582340681 -3.796 0.000153 ***

> n=nrow(data)

> k=14+1

> qt(1-0.05/2,n-k)

[1] 1.961417
```

Here β_1 represents coefficient of alcohol in the model2

i. hypothesis
$$\left\{ \begin{array}{l} H_0 \colon \beta_1 = 0 \\ H_a \colon \beta_1 \neq 0 \end{array} \right.$$

ii. Test statistic:
$$t_{obs} = \frac{-0.1277572693302 - 0}{0.0336582340681} = -3.795$$

iii. Rejection region: t >
$$t_{\frac{\alpha}{2},\,n-4}=1.961417~or~t<-t_{\frac{\alpha}{2},\,n-4}=-1.961417$$

iv. Since t_{obs} is in the rejection region, we reject the H_0 . It indicates that Alcohol is significantly linear related to Life Expectancy.

Similarly, we can predict the significance of the other explanatory variables using hypothesis test.

MODEL ADEQUACY FOR MODEL2:

Computing the residuals for the model

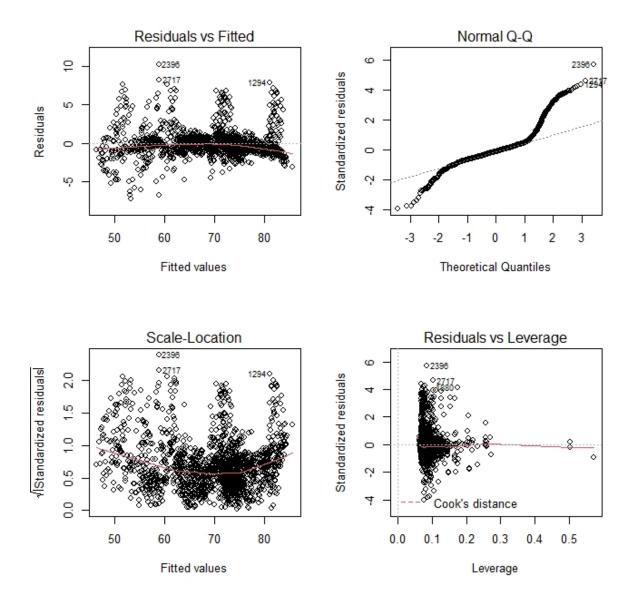
Below image shows the first 20 residuals of the model

Computing the standardized residuals and studentized residuals for the model

Below image shows the first 21 standardized residuals of the model

Below image shows the first 21 studentized residuals of the model

SOME IMPORTANT PLOTS:



Analysis of the plots:

The NORMAL Q-Q plot has sharp upward and downward curves at both the extreme. It indicates that the underlying distribution is heavy tailed.

Summary of the Analysis:

- 1) First, we loaded the data and checked and removed the rows containing null values.
- 2) Then we checked for multicollinearity between the variables using VIF and removed some of the variables with multicollinearity.
- 3) Then we performed forward selection and backward elimination methods for finding the best subset of features.
- 4) After that we have chosen the model obtained from forward selection as it has high adjusted R² value when compared with the model obtained after backward elimination.
- 5) Then we performed Hypothesis Test for checking the significance of the Alcohol on the model obtained after forward selection and found out that alcohol has significant effect on life expectancy.
- 6) Finally, we performed model adequacy on the model obtained after forward selection by finding the residuals and plotting some important plots.