2022-1 – Upstart – Research Scientist Phone Interview

Question 1.

When doing the multiple linear regression problem, one column B is wrongly copied as column A. What is the consequence?

Table 1 has the results with correct parameters and Table 2 has the results with incorrect parameter, Administration = Marketing Spend.

Coefficients on Table 2 of columns A and B are very closed to each other, but not identical. Notice the variance matrix has the smallest eigenvalue closed to zero, that means there exists strong multicollinearity.

Table 1.

runfile('/Users/zli/Desktop/Multiple-Linear-Regression/multiple\_linear\_regression.py', wdir='/Users/zli/Desktop/Multiple-Linear-Regression')

Intercept:

42554.16761773238

Coefficients:

[ 7.73467193e-01 3.28845975e-02 3.66100259e-02 -9.59284160e+02

6.99369053e+02]

OLS Regression Results

==============================================================================

Dep. Variable: Profit R-squared: 0.950

Model: OLS Adj. R-squared: 0.943

Method: Least Squares F-statistic: 129.7

Date: Fri, 07 Jan 2022 Prob (F-statistic): 3.91e-21

Time: 21:36:42 Log-Likelihood: -421.10

No. Observations: 40 AIC: 854.2

Df Residuals: 34 BIC: 864.3

Df Model: 5

Covariance Type: nonrobust

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coef std err t P>|t| [0.025 0.975]

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const 4.255e+04 8358.538 5.091 0.000 2.56e+04 5.95e+04

R&D Spend 0.7735 0.055 14.025 0.000 0.661 0.886

Administration 0.0329 0.066 0.495 0.624 -0.102 0.168

Marketing Spend 0.0366 0.019 1.884 0.068 -0.003 0.076

Florida -959.2842 4038.108 -0.238 0.814 -9165.706 7247.138

New York 699.3691 3661.563 0.191 0.850 -6741.822 8140.560

==============================================================================

Omnibus: 15.823 Durbin-Watson: 2.468

Prob(Omnibus): 0.000 Jarque-Bera (JB): 23.231

Skew: -1.094 Prob(JB): 9.03e-06

Kurtosis: 6.025 Cond. No. 1.49e+06

==============================================================================

Warnings:

[1] Standard Errors assume that the covariance matrix of the errors is correctly specified.

[2] The condition number is large, 1.49e+06. This might indicate that there are

strong multicollinearity or other numerical problems.

Table 2.

runfile('/Users/zli/Desktop/Multiple-Linear-Regression/multiple\_linear\_regression.py', wdir='/Users/zli/Desktop/Multiple-Linear-Regression')

Intercept:

46329.06017854024

Coefficients:

[ 7.85141717e-01 1.69781929e-02 1.69782094e-02 -8.26468159e+02

5.54657333e+02]

OLS Regression Results

==============================================================================

Dep. Variable: Profit R-squared: 0.950

Model: OLS Adj. R-squared: 0.944

Method: Least Squares F-statistic: 165.6

Date: Fri, 07 Jan 2022 Prob (F-statistic): 3.19e-22

Time: 21:37:55 Log-Likelihood: -421.24

No. Observations: 40 AIC: 852.5

Df Residuals: 35 BIC: 860.9

Df Model: 4

Covariance Type: nonrobust

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coef std err t P>|t| [0.025 0.975]

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const 4.633e+04 3375.873 13.724 0.000 3.95e+04 5.32e+04

R&D Spend 0.7851 0.049 15.924 0.000 0.685 0.885

Administration 0.0170 0.009 1.839 0.074 -0.002 0.036

Marketing Spend 0.0170 0.009 1.838 0.075 -0.002 0.036

Florida -826.4682 3985.466 -0.207 0.837 -8917.395 7264.459

New York 554.6573 3610.268 0.154 0.879 -6774.576 7883.891

==============================================================================

Omnibus: 14.873 Durbin-Watson: 2.511

Prob(Omnibus): 0.001 Jarque-Bera (JB): 21.150

Skew: -1.038 Prob(JB): 2.56e-05

Kurtosis: 5.895 Cond. No. 1.11e+16

==============================================================================

Warnings:

[1] Standard Errors assume that the covariance matrix of the errors is correctly specified.

[2] The smallest eigenvalue is 3.82e-20. This might indicate that there are

strong multicollinearity problems or that the design matrix is singular.

Question 2.

When doing the linear regression, if the dataset is wrongly copied twice. What is the consequence?

The estimated parameter won't change but the confidence interval (or the c.i. range) could shrink by approx sqrt(2).

Table 1.

runfile('/Users/zli/Desktop/Multiple-Linear-Regression/multiple\_linear\_regression.py', wdir='/Users/zli/Desktop/Multiple-Linear-Regression')

Intercept:

45299.49140836343

Coefficients:

[0.51986565]

OLS Regression Results

==============================================================================

Dep. Variable: Profit R-squared: 0.111

Model: OLS Adj. R-squared: 0.087

Method: Least Squares F-statistic: 4.726

Date: Fri, 07 Jan 2022 Prob (F-statistic): 0.0360

Time: 21:50:10 Log-Likelihood: -478.74

No. Observations: 40 AIC: 961.5

Df Residuals: 38 BIC: 964.9

Df Model: 1

Covariance Type: nonrobust

==================================================================================

coef std err t P>|t| [0.025 0.975]

----------------------------------------------------------------------------------

const 4.53e+04 3.02e+04 1.502 0.141 -1.57e+04 1.06e+05

Administration 0.5199 0.239 2.174 0.036 0.036 1.004

==============================================================================

Omnibus: 0.124 Durbin-Watson: 1.946

Prob(Omnibus): 0.940 Jarque-Bera (JB): 0.070

Skew: -0.081 Prob(JB): 0.966

Kurtosis: 2.874 Cond. No. 6.14e+05

==============================================================================

Warnings:

[1] Standard Errors assume that the covariance matrix of the errors is correctly specified.

[2] The condition number is large, 6.14e+05. This might indicate that there are

strong multicollinearity or other numerical problems.

Table 2.

runfile('/Users/zli/Desktop/Multiple-Linear-Regression/multiple\_linear\_regression.py', wdir='/Users/zli/Desktop/Multiple-Linear-Regression')

Intercept:

45299.491408363414

Coefficients:

[0.51986565]

OLS Regression Results

==============================================================================

Dep. Variable: Profit R-squared: 0.111

Model: OLS Adj. R-squared: 0.099

Method: Least Squares F-statistic: 9.700

Date: Fri, 07 Jan 2022 Prob (F-statistic): 0.00258

Time: 21:51:41 Log-Likelihood: -957.48

No. Observations: 80 AIC: 1919.

Df Residuals: 78 BIC: 1924.

Df Model: 1

Covariance Type: nonrobust

==================================================================================

coef std err t P>|t| [0.025 0.975]

----------------------------------------------------------------------------------

const 4.53e+04 2.1e+04 2.153 0.034 3403.607 8.72e+04

Administration 0.5199 0.167 3.115 0.003 0.188 0.852

==============================================================================

Omnibus: 0.109 Durbin-Watson: 1.976

Prob(Omnibus): 0.947 Jarque-Bera (JB): 0.140

Skew: -0.081 Prob(JB): 0.932

Kurtosis: 2.874 Cond. No. 6.14e+05

==============================================================================

Warnings:

[1] Standard Errors assume that the covariance matrix of the errors is correctly specified.

[2] The condition number is large, 6.14e+05. This might indicate that there are

strong multicollinearity or other numerical problems.

2022-3-17 Meta 买它infra research data scientist电面

ML/STATISTICS: credit fraud,

Q1: given amount and distance as features, what algorithm you will use?

Answer: Build a classification model to predict probability of fraud.

Q2: what other algorithms you can think of and what are the pro and cons compared to the one you proposed ‌‍in Q1.

Answer:

2 features -> desicion tree/boosting/deep learning is not adequate.

Decision Tree:

\* Not be efficient because lots of data but very few features

KNN:

\* Frauds change over time, not a good patterns as new tech used in the new fraud cases

\* Save all the data but not training needed

Anormaly Dection (to be reviewed):

\* Distribution of individual features

Logistic regression:

\* Good interpretability

\* Score fast

\* Training is relatively slow

Q3: coefficient of amount to fraudulence if 0.10 with standard error 0.02, what's the relationship between amount and fraudulence? Is it statistically significant? How do you prove it?

Answer: (See ESL Page 124) Each unit increase in the distance accounts for an increase in the odds of fraudulence of exp(0.10)~=1.105 or 10.5%. The Z score is 0.10/0.02=5 which means the coeffient is significant. The is proved by the CLT.