



# SNS College of Technology

Coimbatore - 35



19BAZ782 – Analytics for Everyone

Unit IV – Predictive Analytics I

## Topic...Guess...???

Presented by

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*Design Thinker*

**1<sup>st</sup> Indian Institution to Implement Design Thinking Curriculum**  
Redesigning Common Mind and Business Towards Excellence



# Recall



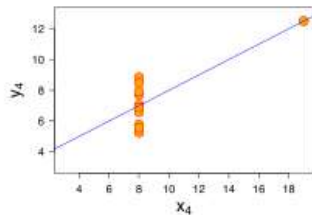
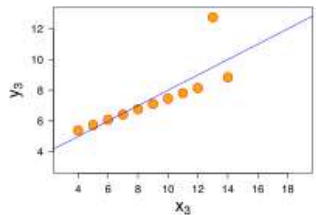
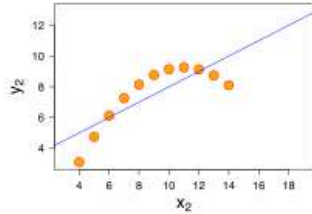
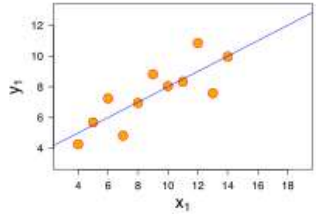
- Concept of regression
- Regression equation
- Importance
- Types of variables
- Model deployment



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# Guess the topic...???





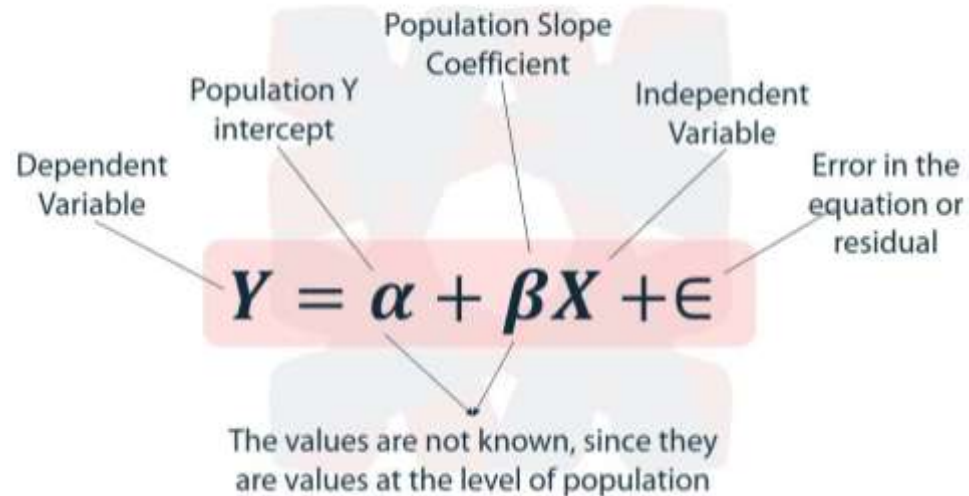
# Model Building



# Functional Form

- Identify the explanatory variable
- Specify the relationship between dependent and independent variable

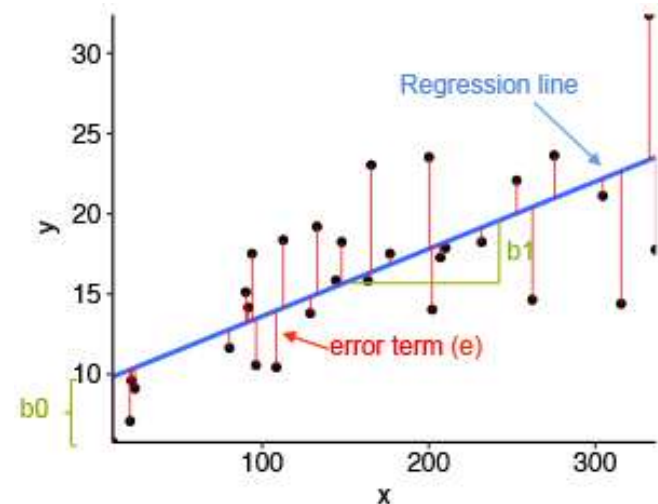
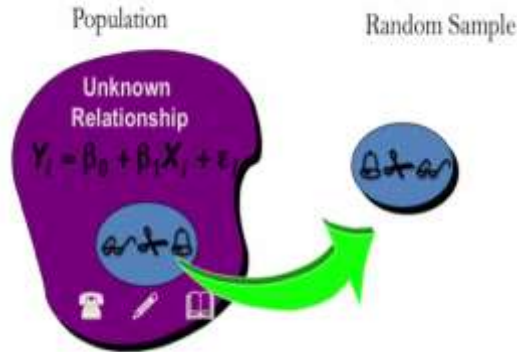
The regression equation can be written as,





# OLS Method

- Estimation of parameters
- Adding errors will become Zero
- Take Square of errors
- Unbiased estimate





# Why OLS

- Calculate Parameters
- Best Linear Unbiased Method
- Population parameter and sample value are almost same
- Minimum variance

$$m = \frac{\sum_{i=1}^n (x_i - \bar{x})(y_i - \bar{y})}{\sum_{i=1}^n (x_i - \bar{x})^2}$$



# Summary

- Functional form
- OLS Method
- Importance and Advantages of OLS method

SUMMARY







# Reference



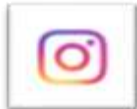
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*Thank  
you*