



Start-Tech Academy

Logistic Regression

Confusion matrix

		<i>True default status</i>		
		No	Yes	Total
<i>Predicted default status</i>	No	9,432	138	9,570
	Yes	235	195	430
	Total	9,667	333	10,000

Linear regression cannot be used for more than two categories



Logistic Regression

Confusion matrix

		<i>True default status</i>		
		No	Yes	Total
<i>Predicted default status</i>	No	9,432	138	9,570
	Yes	235	195	430
Total		9,667	333	10,000

Type 1 Error



Logistic Regression

Confusion matrix

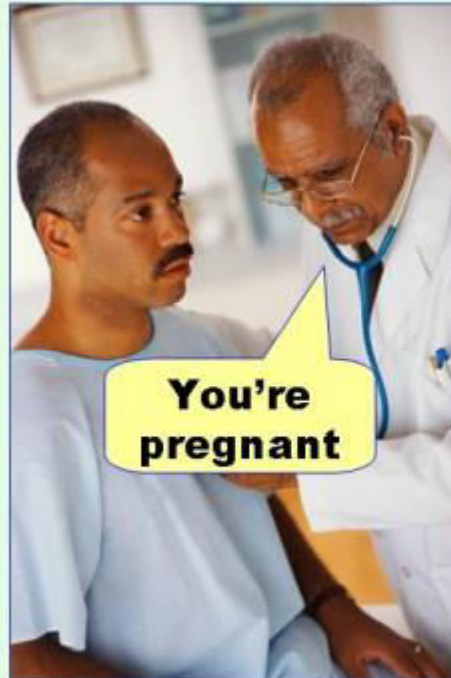
		Type 2 Error		
		<i>True default status</i>		
		No	Yes	Total
<i>Predicted default status</i>	No	9,432	138	9,570
	Yes	235	195	430
	Total	9,667	333	10,000



Logistic Regression

Confusion matrix

Type I error
(false positive)



Type II error
(false negative)

