TABLE OF CONTENTS

1 INTRODUCTION 2

1.1 Introduction 3

1.2 Literature Review 6

1.3 The Research Problem 12

1.4 Overview Of The Thesis 14

2 A SINGLE PERIOD INVENTORY MODEL WITH DISCRETE DEMAND 20

2.1 Introduction 21

2.2 Notations 22

2.3 The Proposed Model 22

2.4 An Illustrative Example 29

3 A SINGLE PERIOD INVENTORY MODEL WITH POISSON DEMAND.....32

3.1 Introduction 33

3.2 Notations 36

3.3 The Proposed Model 36

3.4 An Illustrative Example 43

4 A DISCRETE INVENTORY MODEL WHEN SALE PRICE VARIES WITH STOCK LEVEL.....46

4.1 Introduction 47

4.2 Notations 51

4.3 The Proposed Model 51

4.4 Algorithm 58

4.5 An Illustrative Example 59

5 A DISCRETE INVENTORY MODEL WHEN SALE PRICE DECREASES WITHTIME 62

5.1 Introduction 63

5.2 Notations 66

5.3 The Proposed Model 67

5.4 Algorithm 75

5.5 An Illustrative Example 75

6 A DISCRETE INVENTORY MODEL WHEN SALE PRICE VARIES AT RANDOM TIME 80

6.1 Introduction 80

6.2 Notations 82

6.3 The Proposed Model 82

6.4 Algorithm 92

6.5 An Illustrative Example 93

Appendix 95

Bibliography 106

TABLE OF FIGURES

Figure 2.3(a) Inventory Level v/s Time for Continuous Demand 23

Figure 2.3(b) Inventory Level v/s Time for Discrete Demand 23

Figure 2.4 Expected Total Cost as a Function of n 30

Figure 3.1(a) Inventory Level over Time for Uniform Demand 34

Figure 3.1(b) Inventory Level over Time for Stochastic Demand 34

Figure 3.4 Expected Total Cost as a Function of n for Poisson Demand 44

Figure 4.5 Expected Total Cost as a Function of n when Sale Prise varies with stock level 60

Figure 5.5 Expected Total Cost as a Function of n when Sale Prise decreases with Time 78

Figure 6.5 Expected Total Cost as a Function of n when Sale Prise varies at Random Time 94