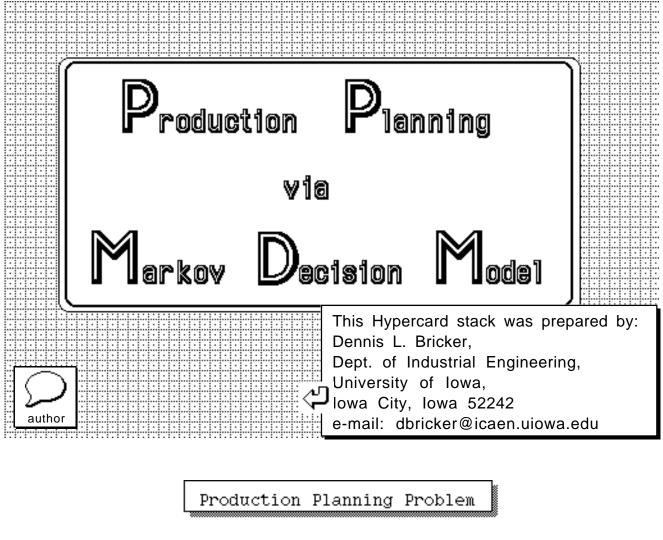
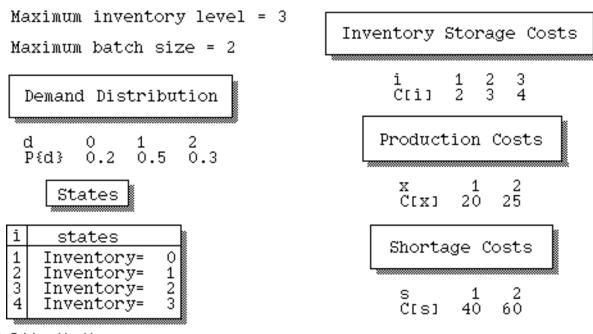
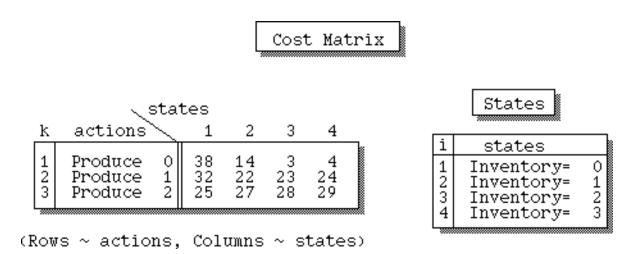
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Action: Produce 0	Action: Produce 1
f 1 2 3 4	f 1 2 3 4
$ \begin{array}{c} r \\ 0 & 1 \\ m & 2 \\ m & 2 \\ 0.8 & 0.2 & 0 \\ 0.3 & 0.5 & 0.2 & 0 \\ 4 & 0 & 0.3 & 0.5 & 0.2 \end{array} $	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$
i states 1 Inventory= 0 2 Inventory= 1 3 Inventory= 2 4 Inventory= 3	Action: Produce 2 to f 1 2 3 4
	r 0 1 0.3 0.5 0.2 0 m 2 0 0.3 0.5 0.2 3 0 0 0.3 0.7
Transition	$\begin{array}{cccccccccccccccccccccccccccccccccccc$
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		_P T					i~	stat∈	≥, k	acti	on		
<u>k:</u>	1	2	3	1	2	3	1	2	3	1	2	3	R
i:	1	1	1	2	2	2	3	3	3	4	4	4	R H S
Min	38	32	25	14	22	27	3	23	28	4	24	29	
	0	-0.2	0.7	-0.8 0.8	-0.3	0 0.7	-0.3 -0.5	-0.3	0	-0.3	0	0	0
	Ŏ 1	0 1	-0.2 1	0 1	-0.2 1	-0.5		0.5 1	Ŏ.7 1	-0.5 1	-ŏ.3	Ŏ 1	0 0 1
	Ļ	-	-	-	-	-	±	-	-	-	-		<u> </u>

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Iteration 0

Policy: (Cost= 21.42)

State			Action	P{i}		
1 Inventory= 2 Inventory= 3 Inventory= 4 Inventory=	0 1 2 3	2	Produce Produce Produce Produce Produce	2 1 1 0	0.18 0.42 0.32 0.08	

Initial policy (basic feasible solution): produce a quantity sufficient to replace any units which were removed from inventory

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Iteration 1

Policy: (Cost= 19.1)

State		Action	P{i}		
1 Inventory= 2 Inventory= 3 Inventory= 4 Inventory=	0 1 2 3	Produce Produce Produce Produce Produce	2 1 0	0.3 0.5 0.2 0	

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Iteration 2

Optimal Policy: (Cost= 16)

	State			Action	P{i}		
1	Inventory=	0	3311	Produce	2	0.15	
2	Inventory=	1		Produce	2	0.4	
3	Inventory=	2		Produce	0	0.35	
4	Inventory=	3		Produce	0	0.1	

Optimal policy:

If inventory level is less than 2, produce a quantity sufficient to fill the inventory to its capacity

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