Contents

Preface

Page

1 The Optimal Route Problem 1
1.1 The Deterministic Problem 1
1.2 The Probabilistic Problem 9
Exercises for Chapter 1 16

2 Optimal Discounting over Time with Single-Period Decision Epochs 19
2.1 The Deterministic Problem 24
2.2 The Probabilistic Problem 26
Exercises for Chapter 2

3 Optimal Non-discounting over Time with Single-Period Decision Epochs 28
3.1 The Deterministic Problem 28
3.2 The Probabilistic Problem 37
Exercises for Chapter 3 45

4 Optimal Discounting over Time with Multi-Period Decision Epochs 48
4.1 The Deterministic Problem 48
4.2 The Probabilistic Problem 50
Exercises for Chapter 4 55

5 Optimal Non-discounting over Time with Multi-Period Decision Epochs 57
5.1 The Deterministic Problem 57
5.2 The Probabilistic Problem 60
Exercises for Chapter 5 68

6 Optimizing over *n*-Transitions 70
6.1 The Discounted Problem 70

6.2 The Nondiscounted Problem 71
Exercises for Chapter 6 73

7 Linear Programming Formulations 75
7.1 Formulations for the Limiting Equations 75
7.2 Formulations for the Finite Horizon Equations . . . 89
Exercises for Chapter 7 89

8 Probabilistic Constraints 91
Exercises for Chapter 8 101

9 Aspects of Optimality 103
9.1 Stability 103
9.2 Discount Optimality 104
9.3 Post-Optimality 108
9.4 Bounds 110
9.5 Elimination of Non-Optimal Actions 114
Exercises for Chapter 9 118

Solutions to Exercises 124
Chapter 1 124
Chapter 2 133
Chapter 3 141
Chapter 4 153
Chapter 5 159
Chapter 6 168
Chapter 7 171
Chapter 8 176
Chapter 9 180

References 199

Index 203