

CONTENTS

SUMMARY	iii
PREFACE	ix

PART I DIFFERENTIAL, DIFFERENCE, AND RELATED LINEAR FUNCTIONAL EQUATIONS

CHAPTER		
1.	Preliminary Results	3
	1.1. Introduction	3
	1.2. Differential Equations—Notation	3
	1.3. The Linear Equation with Constant Coefficients	4
	1.4. The Inhomogeneous Linear Equation with Constant Coefficients	6
	1.5. The Inhomogeneous Equation with Variable Coefficients	7
	1.6. Difference Equations	7
	1.7. Differential-Difference Equations	8
	1.8. Volterra Integral Equations	9
	1.9. The Renewal Equation	10
	1.10. Fredholm Integral Equations	10
	1.11. Linear Operations	11
2.	Stability Theory	13
	2.1. Introduction	13
	2.2. The Linear Equation with Constant Coefficients	13
	2.3. The Hurwitz Conditions for Stability	14
	2.4. The Poincaré-Lyapunov Stability Theorem	15
	2.5. Difference Equations	16
	2.6. Differential-Difference Equations	17

PART II LINEAR AND QUADRATIC CONTROL PROBLEMS

3.	Control Problems of the First Kind	21
	3.1. Introduction	21
	3.2. A Transformation of the Problem	23

3.3.	The Neyman-Pearson Lemma	24
3.4.	Another Approach	26
3.5.	The Moment Space of Characteristic Functions	28
3.6.	A Simple Example	31
3.7.	Inequality Replaced by Equality	32
3.8.	The Multidimensional Problem	34
3.9.	A Result Concerning Positivity	35
3.10.	A Maximization Problem Due to H. Markowitz	37
3.11.	The One-dimensional Problem	37
3.12.	The Two-dimensional Problem	38
3.13.	The n -Dimensional Problem	41
4.	Quadratic Functionals	45
4.1.	Introduction	45
4.2.	Existence and Uniqueness of Solution	46
4.3.	The Equation for the Minimizing Function	48
4.4.	Properties of an Operator	49
4.5.	Some Associated Problems	50
4.6.	Statement of Results	52
4.7.	A Useful Formula	53
4.8.	Application to Differential Equations	53
4.9.	The Solution of the Minimum Problem	55
4.10.	Numerical Methods	56
4.11.	A Simple Algebraic Example	56
4.12.	The Solution of $x + \lambda Ax = c$	57
4.13.	The Solution of $f(x) + \lambda \int_0^1 K(x, y)f(y) dy = g(x)$	58
4.14.	External Influences	58
4.15.	Quadratic Deviation	59
4.16.	The Second-order Equation	60
4.17.	The n th-order Equation	61
4.18.	Linear Systems	61
4.19.	Hurwitz Conditions	62

PART III

VARIATIONAL PROBLEMS WITH CONSTRAINTS

5.	Control Problems of the Third Kind	67
5.1.	Introduction	67
5.2.	Quadratic Deviation—Linear Cost	67
5.3.	Linear Cost—Deviation Measured by Rate of Change	71
5.4.	The Functional $\max 1 - x $	76

6.	Classical Variational Theory with Constraints	83
6.1.	Introduction	83
6.2.	Preliminary Reductions	84
6.3.	Existence of a Solution	85
6.4.	Necessary Conditions for a Maximum	88
6.5.	Uniqueness	91
6.6.	Continuity Properties of Solutions	92
6.7.	Solutions of a Particular Type	94
6.8.	The Unbounded Case	98
6.9.	Examples	100
6.10.	The n -Dimensional Case	103
7.	The "Bang-Bang" Control Problem	107
7.1.	Introduction	107
7.2.	Statement of Results	107
7.3.	Proof of Theorem	107
7.4.	A Special Case	110

PART IV

THE THEORY OF DYNAMIC PROGRAMMING

8.	Preliminaries on the Theory of Dynamic Programming	119
8.1.	Introduction	119
8.2.	A Multistage Allocation Process	119
8.3.	Discussion of Process	121
8.4.	Some Terminology	121
8.5.	Functional-equation Formulation	122
8.6.	Sensitivity Analysis	122
8.7.	The Principle of Optimality	123
8.8.	A General Formulation of Deterministic Dynamic-programming Processes	123
8.9.	A Stochastic Multistage Decision Process	124
8.10.	Approximation in Function Space	125
9.	Dynamic Programming and the Calculus of Variations	129
9.1.	Introduction	129
9.2.	The Basic Functional Equation	130
9.3.	Heuristic Considerations	131
9.4.	One Method of Proof	132
9.5.	Finite Version	133
9.6.	A Simple Case	134
9.7.	A More General Problem	138
9.8.	The Function $f_2(c)$	139

9.9.	A Lemma on Concavity	140
9.10.	The Function $f_3(c)$	142
9.11.	N -Dimensional Allocation Process	143
9.12.	Time-dependent Process	144
9.13.	Smoothing Processes	145
9.14.	Computational Aspects—Allocation Process	146
9.15.	Computational Aspects—Smoothing Process	147
9.16.	Quadratic Criteria	148
9.17.	Inventory Cost	148
9.18.	Control of a Physical System	149
9.19.	Second-order System	150
9.20.	Minimum of Maximum Deviation	151
9.21.	Rocket-powered Aircraft and Optimal Climb	152
9.22.	Maximum Range—Discrete Version	153
9.23.	Minimum Time—Discrete Version	154
10.	Optimal Inventory and Stock Control	155
10.1.	Introduction	155
10.2.	Formulation of the General Problem	156
10.3.	Existence and Uniqueness Theorems	159
10.4.	A Simple Observation	162
10.5.	Preliminaries	163
10.6.	Proportional Cost—One-dimensional Case	163
10.7.	Proportional Cost—Multidimensional Case	168
10.8.	Finite Time Period	170
10.9.	Finite Time—Multidimensional Case	173
10.10.	Nonproportional Penalty Cost—Red Tape	174
10.11.	Particular Cases	176
10.12.	The Form of the General Solution	176
10.13.	Preliminaries	177
10.14.	Unbounded Process—One-period Time Lag	177
10.15.	Convex Cost Function—Unbounded Process	180
10.16.	Successive Approximations	182
10.17.	Obtaining a First Approximation	182
10.18.	The Renewal Equation	182
10.19.	The Laplace Transform	183

PART V

THE THEORY OF GAMES

11.	Preliminaries on the Theory of Games	189
11.1.	Introduction	189

11.2.	The Fundamental Min-Max Theorem	190
11.3.	Continuous Games	190
11.4.	Games over Function Spaces	191
11.5.	Finite Resources and Multistage Games	191
11.6.	Nonzero-sum Games	192
12.	An Allocation Problem	195
12.1.	Introduction	195
12.2.	The Neyman-Pearson Lemma	196
12.3.	The Solution for Strictly Monotone Functions	197
12.4.	Extension	200
12.5.	A Particular Case	201
13.	Application of the Theory of Games to the Calculus of Variations ..	203
13.1.	Introduction	203
13.2.	The Basic Device	204
13.3.	Min-Max Theorems	204
13.4.	Consideration of $\min \int_0^T 1 - x(t) dt$	205
13.5.	Consideration of $\max 1 - x(t) $	208
13.6.	Discussion	209
14.	The Diversions of Red Dog and Poker	211
14.1.	Introduction	211
14.2.	Red Dog	211
14.3.	Blackjack	216
14.4.	A Simple Poker Game	217
14.5.	A Poker Game with a Raise	222
15.	Some Computational Algorithms	229
15.1.	Introduction	229
15.2.	The Iterative Procedure of Brown	229
15.3.	The J. Robinson Proof of Convergence	230
15.4.	Continuous Iteration	234
15.5.	The Limiting Case	237
15.6.	The Corresponding Discrete Method	238
15.7.	The Perron Root	238
15.8.	An Alternative Definition	240
15.9.	Nonlinear Recurrence Relation	242