

# Table of Contents

<b>Preface</b> .....	V
<b>Table of Contents</b> .....	IX
<b>List of Notations</b> .....	XIX
<b>1. Introduction</b> .....	1
1.1 Introducing the Knapsack Problem .....	1
1.2 Variants and Extensions of the Knapsack Problem .....	5
1.3 Single-Capacity Versus All-Capacities Problem .....	9
1.4 Assumptions on the Input Data .....	9
1.5 Performance of Algorithms .....	11
<b>2. Basic Algorithmic Concepts</b> .....	15
2.1 The Greedy Algorithm .....	15
2.2 Linear Programming Relaxation .....	17
2.3 Dynamic Programming .....	20
2.4 Branch-and-Bound .....	27
2.5 Approximation Algorithms .....	29
2.6 Approximation Schemes .....	37

<b>3.</b>	<b>Advanced Algorithmic Concepts</b>	43
3.1	Finding the Split Item in Linear Time	43
3.2	Variable Reduction	44
3.3	Storage Reduction in Dynamic Programming	46
3.4	Dynamic Programming with Lists	50
3.5	Combining Dynamic Programming and Upper Bounds	53
3.6	Balancing	54
3.7	Word RAM Algorithms	60
3.8	Relaxations	62
3.9	Lagrangian Decomposition	65
3.10	The Knapsack Polytope	67
<b>4.</b>	<b>The Subset Sum Problem</b>	73
4.1	Dynamic Programming	75
4.1.1	Word RAM Algorithm	76
4.1.2	Primal-Dual Dynamic Programming Algorithms	79
4.1.3	Primal-Dual Word-RAM Algorithm	80
4.1.4	Horowitz and Sahni Decomposition	81
4.1.5	Balancing	82
4.1.6	Bellman Recursion in Decision Form	85
4.2	Branch-and-Bound	85
4.2.1	Upper Bounds	86
4.2.2	Hybrid Algorithms	87
4.3	Core Algorithms	88
4.3.1	Fixed Size Core	89
4.3.2	Expanding Core	89
4.3.3	Fixed Size Core and Decomposition	90
4.4	Computational Results: Exact Algorithms	90
4.4.1	Solution of All-Capacities Problems	93
4.5	Polynomial Time Approximation Schemes for Subset Sum	94
4.6	A Fully Polynomial Time Approximation Scheme for Subset Sum	97
4.7	Computational Results: FPTAS	112

<b>5. Exact Solution of the Knapsack Problem</b> .....	117
5.1 Branch-and-Bound .....	119
5.1.1 Upper Bounds for (KP) .....	119
5.1.2 Lower Bounds for (KP) .....	124
5.1.3 Variable Reduction .....	125
5.1.4 Branch-and-Bound Implementations .....	127
5.2 Primal Dynamic Programming Algorithms .....	130
5.2.1 Word RAM Algorithm .....	131
5.2.2 Horowitz and Sahni Decomposition .....	136
5.3 Primal-Dual Dynamic Programming Algorithms .....	136
5.3.1 Balanced Dynamic Programming .....	138
5.4 The Core Concept .....	140
5.4.1 Finding a Core .....	142
5.4.2 Core Algorithms .....	144
5.4.3 Combining Dynamic Programming with Tight Bounds ...	147
5.5 Computational Experiments .....	150
5.5.1 Difficult Instances .....	154
5.5.2 Difficult Instances with Large Coefficients .....	155
5.5.3 Difficult Instances With Small Coefficients .....	156
<b>6. Approximation Algorithms for the Knapsack Problem</b> .....	161
6.1 Polynomial Time Approximation Schemes .....	161
6.1.1 Improving the <i>PTAS</i> for (KP) .....	161
6.2 Fully Polynomial Time Approximation Schemes .....	166
6.2.1 Scaling and Reduction of the Item Set .....	169
6.2.2 An Auxiliary Vector Merging Problem .....	171
6.2.3 Solving the Reduced Problem .....	175
6.2.4 Putting the Pieces Together .....	177

<b>7.</b>	<b>The Bounded Knapsack Problem</b>	185
7.1	Introduction	185
7.1.1	Transformation of (BKP) into (KP)	187
7.2	Dynamic Programming	190
7.2.1	A Minimal Algorithm for (BKP)	191
7.2.2	Improved Dynamic Programming: Reaching (KP) Complexity for (BKP)	194
7.2.3	Word RAM Algorithm	200
7.2.4	Balancing	200
7.3	Branch-and-Bound	201
7.3.1	Upper Bounds	201
7.3.2	Branch-and-Bound Algorithms	202
7.3.3	Computational Experiments	204
7.4	Approximation Algorithms	205
<b>8.</b>	<b>The Unbounded Knapsack Problem</b>	211
8.1	Introduction	211
8.2	Periodicity and Dominance	214
8.2.1	Periodicity	215
8.2.2	Dominance	216
8.3	Dynamic Programming	219
8.3.1	Some Basic Algorithms	220
8.3.2	An Advanced Algorithm	223
8.3.3	Word RAM Algorithm	227
8.4	Branch-and-Bound	228
8.5	Approximation Algorithms	232
<b>9.</b>	<b>Multidimensional Knapsack Problems</b>	235
9.1	Introduction	235
9.2	Relaxations and Reductions	238
9.3	Exact Algorithms	246
9.3.1	Branch-and-Bound Algorithms	246

9.3.2	Dynamic Programming	248
9.4	Approximation	252
9.4.1	Negative Approximation Results	252
9.4.2	Polynomial Time Approximation Schemes	254
9.5	Heuristic Algorithms	255
9.5.1	Greedy-Type Heuristics	256
9.5.2	Relaxation-Based Heuristics	261
9.5.3	Advanced Heuristics	264
9.5.4	Approximate Dynamic Programming	266
9.5.5	Metaheuristics	268
9.6	The Two-Dimensional Knapsack Problem	269
9.7	The Cardinality Constrained Knapsack Problem	271
9.7.1	Related Problems	272
9.7.2	Branch-and-Bound	273
9.7.3	Dynamic Programming	273
9.7.4	Approximation Algorithms	276
9.8	The Multidimensional Multiple-Choice Knapsack Problem	280
<b>10.</b>	<b>Multiple Knapsack Problems</b>	<b>285</b>
10.1	Introduction	285
10.2	Upper Bounds	288
10.2.1	Variable Reduction and Tightening of Constraints	291
10.3	Branch-and-Bound	292
10.3.1	The MTM Algorithm	293
10.3.2	The Mulknaps Algorithm	294
10.3.3	Computational Results	296
10.4	Approximation Algorithms	298
10.4.1	Greedy-Type Algorithms and Further Approximation Algorithms	299
10.4.2	Approximability Results for (B-MSSP)	301
10.5	Polynomial Time Approximation Schemes	304
10.5.1	A PTAS for the Multiple Subset Problem	304

10.5.2	A <i>PTAS</i> for the Multiple Knapsack Problem	311
10.6	Variants of the Multiple Knapsack Problem	315
10.6.1	The Multiple Knapsack Problem with Assignment Restrictions	315
10.6.2	The Class-Constrained Multiple Knapsack Problem	315
<b>11.</b>	<b>The Multiple-Choice Knapsack Problem</b>	<b>317</b>
11.1	Introduction	317
11.2	Dominance and Upper Bounds	319
11.2.1	Linear Time Algorithms for the LP-Relaxed Problem	322
11.2.2	Bounds from Lagrangian Relaxation	325
11.2.3	Other Bounds	327
11.3	Class Reduction	327
11.4	Branch-and-Bound	328
11.5	Dynamic Programming	329
11.6	Reduction of States	331
11.7	Hybrid Algorithms and Expanding Core Algorithms	332
11.8	Computational Experiments	335
11.9	Heuristics and Approximation Algorithms	338
11.10	Variants of the Multiple-Choice Knapsack Problem	339
11.10.1	Multiple-Choice Subset Sum Problem	339
11.10.2	Generalized Multiple-Choice Knapsack Problem	340
11.10.3	The Knapsack Sharing Problem	342
<b>12.</b>	<b>The Quadratic Knapsack Problem</b>	<b>349</b>
12.1	Introduction	349
12.2	Upper Bounds	351
12.2.1	Continuous Relaxation	352
12.2.2	Bounds from Lagrangian Relaxation of the Capacity Constraint	352
12.2.3	Bounds from Upper Planes	355
12.2.4	Bounds from Linearisation	356

12.2.5	Bounds from Reformulation	359
12.2.6	Bounds from Lagrangian Decomposition	362
12.2.7	Bounds from Semidefinite Relaxation	367
12.3	Variable Reduction	373
12.4	Branch-and-Bound	374
12.5	The Algorithm by Caprara, Pisinger and Toth	375
12.6	Heuristics	379
12.7	Approximation Algorithms	380
12.8	Computational Experiments — Exact Algorithms	382
12.9	Computational Experiments — Upper Bounds	384
<b>13.</b>	<b>Other Knapsack Problems</b>	<b>389</b>
13.1	Multiobjective Knapsack Problems	389
13.1.1	Introduction	389
13.1.2	Exact Algorithms for (MOKP)	391
13.1.3	Approximation of the Multiobjective Knapsack Problem	393
13.1.4	An <i>FPTAS</i> for the Multiobjective Knapsack Problem	395
13.1.5	A <i>PTAS</i> for (M <sub>OD</sub> -KP)	397
13.1.6	Metaheuristics	401
13.2	The Precedence Constraint Knapsack Problem (PCKP)	402
13.2.1	Dynamic Programming Algorithms for Trees	404
13.2.2	Other Results for (PCKP)	407
13.3	Further Variants	408
13.3.1	Nonlinear Knapsack Problems	409
13.3.2	The Max-Min Knapsack Problem	411
13.3.3	The Minimization Knapsack Problem	412
13.3.4	The Equality Knapsack Problem	413
13.3.5	The Strongly Correlated Knapsack Problem	414
13.3.6	The Change-Making Problem	415
13.3.7	The Collapsing Knapsack Problem	416
13.3.8	The Parametric Knapsack Problem	419
13.3.9	The Fractional Knapsack Problem	421

13.3.10	The Set-Union Knapsack Problem .....	423
13.3.11	The Multiperiod Knapsack Problem .....	424
<b>14.</b>	<b>Stochastic Aspects of Knapsack Problems</b> .....	<b>425</b>
14.1	The Probabilistic Model .....	426
14.2	Structural Results .....	427
14.3	Algorithms with Expected Performance Guarantee .....	430
14.3.1	Related Models and Algorithms .....	431
14.4	Expected Performance of Greedy-Type Algorithms .....	433
14.5	Algorithms with Expected Running Time .....	436
14.6	Results for the Subset Sum Problem .....	437
14.7	Results for the Multidimensional Knapsack Problem .....	440
14.8	The On-Line Knapsack Problem .....	442
14.8.1	Time Dependent On-Line Knapsack Problems .....	445
<b>15.</b>	<b>Some Selected Applications</b> .....	<b>449</b>
15.1	Two-Dimensional Two-Stage Cutting Problems .....	449
15.1.1	Cutting a Given Demand from a Minimal Number of Sheets .....	450
15.1.2	Optimal Utilization of a Single Sheet .....	452
15.2	Column Generation in Cutting Stock Problems .....	455
15.3	Separation of Cover Inequalities .....	459
15.4	Financial Decision Problems .....	461
15.4.1	Capital Budgeting .....	461
15.4.2	Portfolio Selection .....	462
15.4.3	Interbank Clearing Systems .....	464
15.5	Asset-Backed Securitization .....	465
15.5.1	Introducing Securitization and Amortization Variants ....	466
15.5.2	Formal Problem Definition .....	468
15.5.3	Approximation Algorithms .....	469
15.6	Knapsack Cryptosystems .....	472
15.6.1	The Merkle-Hellman Cryptosystem .....	473



15.6.2	Breaking the Merkle-Hellman Cryptosystem . . . . .	475
15.6.3	Further Results on Knapsack Cryptosystems . . . . .	477
15.7	Combinatorial Auctions . . . . .	478
15.7.1	Multi-Unit Combinatorial Auctions and Multi-Dimensional Knapsacks . . . . .	479
15.7.2	A Multi-Unit Combinatorial Auction Problem with Decreasing Costs per Unit . . . . .	481
<b>A.</b>	<b>Introduction to <math>\mathcal{NP}</math>-Completeness of Knapsack Problems</b> . . . . .	<b>483</b>
A.1	Definitions . . . . .	483
A.2	$\mathcal{NP}$ -Completeness of the Subset Sum Problem . . . . .	487
A.2.1	Merging of Constraints . . . . .	488
A.2.2	$\mathcal{NP}$ -Completeness . . . . .	490
A.3	$\mathcal{NP}$ -Completeness of the Knapsack Problem . . . . .	491
A.4	$\mathcal{NP}$ -Completeness of Other Knapsack Problems . . . . .	491
	<b>References</b> . . . . .	<b>495</b>
	<b>Author Index</b> . . . . .	<b>527</b>
	<b>Subject Index</b> . . . . .	<b>535</b>