

Contents

1	Markov Chains	1
1.1	Introduction	2
1.2	Probabilities of Sample Paths	5
1.3	Construction of Markov Chains	8
1.4	Examples	10
1.5	Stopping Times and Strong Markov Property	16
1.6	Classification of States	19
1.7	Hitting and Absorbtion Probabilities	26
1.8	Branching Processes	30
1.9	Stationary Distributions	33
1.10	Limiting Distributions	40
1.11	Regenerative Property and Cycle Costs	42
1.12	Strong Laws of Large Numbers	45
1.13	Examples of Limiting Averages	50
1.14	Optimal Design of Markovian Systems	53
1.15	Closed Network Model	55
1.16	Open Network Model	59
1.17	Reversible Markov Chains	61
1.18	Markov Chain Monte Carlo	68
1.19	Markov Chains on Subspaces	71
1.20	Limit Theorems via Coupling	73
1.21	Criteria for Positive Recurrence	76
1.22	Review of Conditional Probabilities	81
1.23	Exercises	84
2	Renewal and Regenerative Processes	99
2.1	Renewal Processes	99
2.2	Strong Laws of Large Numbers	104
2.3	The Renewal Function	107

2.4	Future Expectations	114
2.5	Renewal Equations	114
2.6	Blackwell's Theorem	116
2.7	Key Renewal Theorem	118
2.8	Regenerative Processes	121
2.9	Limiting Distributions for Markov Chains	126
2.10	Processes with Regenerative Increments	126
2.11	Average Sojourn Times in Regenerative Processes	129
2.12	Batch-Service Queueing System	132
2.13	Central Limit Theorems	135
2.14	Terminating Renewal Processes	139
2.15	Stationary Renewal Processes	144
2.16	Refined Limit Laws	148
2.17	Proof of the Key Renewal Theorem*	151
2.18	Proof of Blackwell's Theorem*	153
2.19	Stationary-Cycle Processes*	155
2.20	Exercises	156
3	Poisson Processes	169
3.1	Poisson Processes on \mathbb{R}_+	170
3.2	Characterizations of Classical Poisson Processes	173
3.3	Location of Points	176
3.4	Functions of Point Locations	179
3.5	Poisson Processes on General Spaces	181
3.6	Integrals and Laplace Functionals of Poisson Processes	183
3.7	Poisson Processes as Sample Processes	188
3.8	Deterministic Transformations of Poisson Processes	190
3.9	Marked and Space-Time Poisson Processes	194
3.10	Partitions and Translations of Poisson Processes	196
3.11	Markov/Poisson Processes	201
3.12	Poisson Input-Output Systems	203
3.13	Network of $M_t/G_t/\infty$ Stations	206
3.14	Cox Processes	211
3.15	Compound Poisson Processes	214
3.16	Poisson Law of Rare Events	216
3.17	Poisson Convergence Theorems*	218
3.18	Exercises	225
4	Continuous-Time Markov Chains	241
4.1	Introduction	242
4.2	Examples	245
4.3	Markov Properties	247
4.4	Transition Probabilities and Transition Rates	251
4.5	Existence of CTMCs	253
4.6	Uniformization, Travel Times and Transition Probabilities	255

4.7	Stationary and Limiting Distributions	258
4.8	Regenerative Property and Cycle Costs	263
4.9	Ergodic Theorems	264
4.10	Expectations of Cost and Utility Functions	269
4.11	Reversibility	272
4.12	Modeling of Reversible Phenomena	277
4.13	Jackson Network Processes	282
4.14	Multiclass Networks	287
4.15	Poisson Transition Times	291
4.16	Palm Probabilities	299
4.17	PASTA at Poisson Transitions	303
4.18	Relating Palm and Ordinary Probabilities	306
4.19	Stationarity Under Palm Probabilities	310
4.20	$G/G/1$, $M/G/1$ and $G/M/1$ Queues	314
4.21	Markov-Renewal Processes*	321
4.22	Exercises	323
5	Brownian Motion	341
5.1	Definition and Strong Markov Property	342
5.2	Brownian Motion as a Gaussian Process	345
5.3	Maximum Process and Hitting Times	349
5.4	Special Random Times	352
5.5	Martingales	354
5.6	Optional Stopping of Martingales	358
5.7	Hitting Times for Brownian Motion with Drift	361
5.8	Limiting Averages and Law of the Iterated Logarithm	364
5.9	Donsker's Functional Central Limit Theorem	368
5.10	Regenerative and Markov FCLTs	373
5.11	Peculiarities of Brownian Sample Paths	377
5.12	Brownian Bridge Process	379
5.13	Geometric Brownian Motion	383
5.14	Multidimensional Brownian Motion	385
5.15	Brownian/Poisson Particle System	387
5.16	$G/G/1$ Queues in Heavy Traffic	389
5.17	Brownian Motion in a Random Environment	393
5.18	Exercises	394
6	Appendix	405
6.1	Probability Spaces and Random Variables	405
6.2	Table of Distributions	407
6.3	Random Elements and Stochastic Processes	409
6.4	Expectations as Integrals	410
6.5	Functions of Stochastic Processes	412

6.6 Independence	415
6.7 Conditional Probabilities and Expectations	417
6.8 Existence of Stochastic Processes	419
6.9 Convergence Concepts	421
Bibliographical Notes	427
References	429
Notation	435
Index	437