

## TABLE OF CONTENTS

### I. Procurement and Contracting

The Prototype Model of Defense Procurement <i>Katsuaki Terasawa and Stanley M. Besen</i>	3
A Contract Termination Processing Model and System for Naval Supply Demand Review (SDR) Actions <i>Christopher K. Carlson, Stephen R. Ruth, Merrill E. Warkentin, and Jerry Zamer</i>	34
Hellfire Missile Competition Case Study <i>Bruce M. Miller</i>	45
Strategies for Reliability Incentive Contracting <i>Irwin Greenberg</i>	62

### II. Cost and Economics

A Stochastic Theory of the Generalized Cobb-Douglas Production Function <i>John F. Muth</i>	75
Turbulence, Cost Escalation and Capital Intensity Bias in Defense Contracting <i>Katsuaki Terasawa, James Quirk, and Keith Womer</i>	97
Modeling the Firm-Level Multiproduct Cost Structure of Agricultural Production <i>Abiodun Ojemakinde, Mark D. Lange, and Thomas P. Zacharias</i>	117
Transaction Costs and Their Impact on Energy Demand Behaviour <i>Erich Unterwurzacher and Franz Wirl</i>	130

### III. Efficiency in Production

Returns to Scale and Efficiency in Production: A Distance Function Approach to Southern Illinois Hog Farms <i>R. Färe, W. Herr, and D. Njinkeu</i>	145
Variable Cost Frontiers and Efficiency: An Investigation of Labor Costs in Hospitals <i>Patricia Byrnes and Vivian Valdmanis</i>	160

Costing Out Quality Changes: An Econometric Frontier Analysis of U.S. Navy Enlistments <i>Richard C. Morey</i>	176
<b>IV. Recent Developments in Cost Modeling</b>	
Cost Modeling for Design Justification <i>James S. Noble and J. M. A. Tanchoco</i>	197
The Effect of Technology on the Supportability and Cost of Avionics Equipment <i>Daniel B. Levine, Stanley A. Horowitz, and Joseph W. Stahl</i>	214
Rocket Propulsion Cost Modeling <i>Arve R. Sjøvold and Damon C. Morrison</i>	226
Schedule Estimating Relationships for Tactical Aircraft <i>Bruce R. Harmon, Lisa M. Ward, and Paul R. Palmer</i>	259
<b>V. Production Lot Sizing</b>	
Lot Sizing and Work-In-Process Inventories in Single Stage Production Systems <i>Avijit Banerjee and Jonathan S. Burton</i>	283
Optimal Strategies for Investment in Setup Cost Reductions in a Just-in-Time Environment <i>David F. Rogers</i>	298
Process Control With Lot Sizing <i>Michael H. Peters</i>	311
<b>VI. Mathematical Programming Models for Cost Analysis</b>	
Evaluation of Computer Assisted Telephone Interviewing as a Survey Methodology by Means of Cost Models and Mathematical Programming <i>William F. McCarthy</i>	327
Two Quadratic Programming Acquisition Models With Reciprocal Services <i>Chin-Wei Yang and James Bray McNamara</i>	338
<b>VII. Operations and Support Cost</b>	
Analyzing the Economic Impacts of a Military Mobilization <i>Robert E. Chapman, Carl M. Harris, and Saul I. Gass</i>	353

- The Value of Weapon System Reliability in a Combat Environment: Costs and Performance 387  
*Karen W. Tyson, Peter Evanovich, Stanley A. Horowitz, and Graham McBryde*
- The Use of the Army College Fund: Implications for Program Cost Effectiveness 407  
*Edward J. Schmitz, Charles Dale, and Alan F. Drisko*