Abstract

In the present market scenario, trade credit financing has drawn much attention of various researchers. To increase sales, supplier/wholesalers offers some interest free period to their retailers. According to such consideration, in this paper a two warehouse inventory model for non-instantaneous deteriorating items with combination of different deterioration rate is developed. Shortages are not permissible. This paper mainly deals with non-instantaneous deteriorating items and trade credit financing with objective to derive the optimal replenishment policy that minimizes the average relevant inventory cost of the retailer. This model deals with single item only. Numerical examples are presented to validate the model. Sensitivity analysis has been performed by changing value of a parameter at a time and keeping value of rest parameters unchanged to study the effect on the inventory model.

References

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**Index Terms**

Computer Science

Information Sciences

**Keywords**

Two warehouses, Non-instantaneous deterioration, Permissible delay in payment.