Abstract

The objective of this paper is to formulate and determine the optimal replenishment policy for a retailer's EOQ model with time dependent deterioration and variable holding cost. Here two levels of trade credit policies in which the supplier offers the retailer a permissible delay period and the retailer in turn provides a maximal trade credit period to their customers in a supply chain system are considered. Some results have been developed to determine the optimal ordering policies for the retailer. These results help the retailer to take appropriate inventory decisions. A numerical example is used to highlight the application of the EOQ model. Sensitivity analysis of the optimal solution with respect to major parameters is carried
References

- Y. F. Huang, 2007, Optimal retailer’s replenishment decisions in the EPQ model under two levels of trade credit policy, European Journal of Operational Research, 176, 1577–1591.

Index Terms

Computer Science Operational Research

Keywords

Time Dependent Deteriorating Items  EOQ  Variable Holding Cost  Trade Credit  Permissible Delay In Payments
Supply Chain