

**Ain Shams University
Faculty of Engineering**

Inventory Control Under Uncertainty

*Thesis Submitted to
Faculty of Engineering
Ain-Shams University*

*In Partial Fulfillment of the
Requirements for the Degree of
Master of Science*

*In
Mechanical Engineering (Production)*

By
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B.Sc., Mechanical Engineering, 1978

1995



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

"وَقُلْ رَبِّي زِدْنِي عِلْمًا"

صدق الله العظيم

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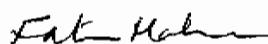
Inventory Control Under Uncertainty

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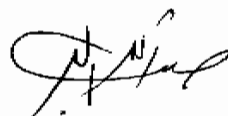


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Statement

This dissertation is submitted to Faculty of Engineering, Ain Shams University for the Master degree of Science in Mechanical Engineering (Production).

The work included in this thesis was carried out by the author in the Department of Design and Production Engineering, Ain Shams University, from Mars 1991 to Sept. 1995.

No part of this thesis has been submitted for a degree or a qualification at any other University or Institution.

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Summary
of the M.Sc. Thesis Titled
Inventory Control Under Uncertainty
by

Abdel Rahman Mohamed Abdel Rahman Hassan

Investments in stock items present a major problem to management.

The problem becomes even clear in case of uncertainty environments. Inventory control techniques especially those which, consider stochastic behavior offer a tool for management to effectively plan their inventory activities.

This thesis presents a single item continuous review stochastic inventory model (r, Q) . The model is structured and designed to account for eight different uncertainty cases. Two policies are considered which are: backorders are allowed and demand not covered from stock is lost.

These two policies are incorporating two measures of service namely the fraction of demand covered from stock and the average number of shortage occurrences. The Laplace and Logistic distributions are used with the above four cases.

These cases are mathematically formulated with the objective to minimize the total sum of the ordering, the holding and the shortage costs subject to some constraints. These models are nonlinear and Kuhn-Tucker conditions are used to solve them.

A series of experimentations is carried out to test these models such as, the total cost, the reorder point, the reorder quantity and the service level.

Results indicate that the effect of uncertainty is noticeable where the service level is high. The total cost is high and the reorder quantity is high.

The feasible range of quantities is narrower as the service level is lowered depending on the distribution adopted. The interrelationships of these elements for the eight cases are thoroughly analysed, discussed and conclusions are drawn.

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Acknowledgment

Express my respect and deep appreciation to **Prof. Salah el Barr**, for giving me the privilege of working under his direction and helpful guidance.

Express my deep thanks and sincere gratitude to **Prof. Amin el El Kharbotly**, for his great support, great supervision and throughout the whole work.

Express my thanks and gratitude to the staff of the Department of Production Engineering for their personal help which makes this one of the most friendly research faculty I have ever had.

Express special thanks to **Consultant Eng. Farouk El Gibaly**, at British Dynamics, for his help received during the execution of the

and thanks to all members at Arab British Dynamics, who without their less and eager cooperation, I would not have finished this work.

My friends, my colleagues, my family and to everyone who participated some way or another to let this work come to light, I owe my thanks and gratitude.

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