Contents

1. Introduction **1**

1.1 Background and Historical Sketch 1

1.2. Linear Programming 2

1.3. Illustrative Examples 3

1.4. Graphical Solutions 5

1.5. Nonlinear Programming 9

Part – 1

MATHEMATICAL FOUNDATIONS

2. Basic Theory of Sets and Functions **11**

2.1. Sets 13

2.2. Vectors 15

2.3. Topological Properties of Rn 16

2.4. Sequences and Subsequences 18

2.5. Mappings and Functions 19

2.6. Continuous Functions 20

2.7. Infimum and Supremum of Functions 20

2.8. Minima and Maxima of Functions 21

2.9. Differentiable Functions 22

3. Vector Spaces **26**

3.1. Fields 26

3.2. Vector Spaces 26

3.3. Subspaces 27

3.4. Linear Dependence 28

3.5. Basis and Dimension 31

3.6. Inner Product Spaces 34

4. Matrices and Determinants **38**
4.1. Matrices 38
4.2. Relations and Operations 39
4.3. Partitioning of Matrices 41
4.4. Rank of a Matrix 42
4.5. Determinants 43
4.6. Properties of Determinants 44
4.7. Minors and Cofactors 44
4.8. Determinants and Rank 45
4.9. The Inverse Matrix 46

5. Linear Transformations and Rank **50**
5.1. Linear Transformations and Rank 50
5.2. Product of Linear Transformations 51
5.3. Elementary Transformations 52
5.4. Echelon Matrices and Rank 54

6. Quadratic Forms and Eigenvalue Problems **56**
6.1. Quadratic Forms 56
6.2. Definite Quadratic Forms 57
6.3. Characteristic Vectors and Characteristic Values 59

7. Systems of Linear Equations and Linear Inequalities **63**
7.1. Linear Equations 63
7.2. Existence Theorems for Systems of Linear Equations 63
7.3. Basic Solutions and Degeneracy 66
7.4. Theorems of the Alternative 68

8. Convex Sets and Convex Cones **76**
8.1. Introduction and Preliminary Definitions 76
8.2. Convex Sets and their Properties 76
8.3. Convex Hulls 79
8.4. Separation and Support of Convex Sets 81
8.5. Convex Polytopes and Polyhedra 87
8.6. Convex Cones 91

9. Convex and Concave Functions **94**
9.1. Definitions and Basic Properties 94
9.2. Differentiable Convex Functions 101
9.3. Generalization of Convex Functions 104
9.4. Exercises 113

Part – 2

LINEAR PROGRAMMING

10. Linear Programming Problems 115
10.1. The General Problem 117
10.2. Equivalent Formulations 117
10.3. Definitions and Terminologies 120
10.4. Basic Solutions of Linear Programs 120
10.5. Fundamental Properties of Linear Programs 121
10.6. Exercises 126

11. Simplex Method: Theory and Computation 132
11.1. Introduction 132
11.2. Theory of the Simplex Method 132
11.3. Method of Computation: The Simplex Algorithm 136
11.4. The Simplex Tableau 137
11.5. Replacement Operation 138
11.6. Example 141
11.7. Exercises 142

12. Simplex Method: Initial Basic Feasible Solution 145
12.1. Introduction: Artificial Variable Techniques 145
12.2. The Two-Phase Method [117] 145
12.3. Examples 147
12.4. The Method of Penalties [71] 150
12.5. Examples: Penalty Method 152
12.6. Inconsistency and Redundancy 155
12.7. Exercises 156

13. Degeneracy in Linear Programming 158
13.1. Introduction 158
13.2. Charnes' Perturbation Method 159
13.3. Example 162
13.4. Exercises 163

14. The Revised Simplex Method 165
14.1. Introduction 165
14.2. Outline of the Procedure 165
14.3. Example 172
14.4. Exercises 175

15. Duality in Linear Programming 177
15.1. 177
15.2. Cannonical Dual Programs and Duality Theorems 177
15.3. Equivalent Dual Forms 182
15.4. Other Important Results 185
15.5. Lagrange Multipliers and Duality 189
15.6. Duality in the Simplex Method 190
15.7. Example 192
15.8. Applications 194
15.9. Economic Interpretation of Duality 195
15.9. Exercises 197

16. Variants of the Simplex Method **199**
16.1. Introduction 199
16.2. The Dual Simplex Method 199
16.3. The Dual Simplex Algorithm 202
16.4. Initial Dual - Feasible Basic Solution 203
16.5. Example 208
16.6. The Primal - Dual Algorithm 210
16.7. Summary of the Primal-Dual Algorithm 215
16.8. Example 216
16.9. The Initial Solution to the Dual Problem: The Artificial Constraint Technique 218
16.9. Exercises 219

17. Post-Optimization Problems: Sensitivity Analysis and Parametric Programming **222**
17.1. Introduction 222
17.2. Sensitivity Analysis 222
17.3. Changes in the Cost Vector 223
17.4. Changes in the Requirement Vector 224
17.5. Changes in the Elements of the Technology Matrix 225
10.6. Addition of a Constraint 229
17.7. Addition of a Variable 230
17.8. Parametric Programming 230
17.9. Parametric Changes in the Cost Vector 230
17.10. Parametric Changes in the Requirement Vector 232
17.11. Exercises 233

18. Bounded Variable Problems **236**
18.2. Bounded from Below 236
18.3. Bounded from Above 237
18.4. The Optimality Criterion 238
18.5. Improving a Basic Feasible Solution 239
18.6. Example 241
18.7. Exercises 244

19. Transportation Problems **245**
19.1. Introduction 245
19.2. The Mathematical Formulation 245
19.3. Fundamental Properties of Transportation Problems 248
19.4. Initial Basic Feasible Solution 251
19.5. Duality and Optimality Criterion 255
19.6. Improvement of a Basic Feasible Solution 256
19.7. The Transportation Algorithm 257
19.8. Degeneracy 258
19.9. Examples 259
19.10. Unbalanced Transportation Problem 262
19.11. The Transhipment Problem 266
19.12. Exercises 270

20. Assignment Problems **275**
20.1. Introduction and Mathematical Formulation 275
20.2. The Hungarian Method 276
20.3. The Assignment Algorithm 277
20.4. Variations of the Assignment Model 279
20.5. Some Applications of the Assignment Model 280
20.6. Exercises 288

21. The Decomposition Principle for Linear Programs **291**
21.1 Introduction 291
21.2. The Original Problem and its Equivalent 291
21.3. The Decomposition Algorithm 294
21.4. Initial Basic Feasible Solution 295
21.5. The Case of Unbounded Sj 296
21.6. Remarks on Methods of Decomposition 298
21.7. Example 298
21.8. Exercises 301

22. Polynomial Time Algorithms for Linear Programming **303**
22.1. Introduction 303
22.2. Computational Complexity of Linear Programs 303
22.3. Khachiyan's Ellipsoid Method 304
22.4. Solving Linear Programming Problems by the Ellipsoid Method 307
22.5. Karmarkar's Polynomial-Time Algorithm 308
22.6. Convergence and Complexity of Karmarkar's Algorithm 311
22.7. Conversion of a General Linear Program into Karmarkar's Form 316
22.8. Exercises 320

Part – 3

NONLINEAR AND DYNAMIC PROGRAMMING

23. Nonlinear Programming **321**
23.1. Introduction 323
23.2. Unconstrained Optimization 324
23.3. Constrained Optimization 326
23.4. Kuhn–Tucker Optimality Conditions 328
23.5. Kuhn–Tucker Constraint Qualification 330
23.6. Other Constraint Qualifications 333
23.7. Lagrange Saddle Point Problem and Kuhn–Tucker Conditions 335
23.8. Exercises 338

24. Quadratic Programming **340**
24.1 Introduction 340
24.2. Wolfe's Method 342
24.3. Dantzig's Method 349
24.4. Beale's Method 350
24.5. Lemke's complementary Pivoting Algorthm 356
24.6. Exercises 363

25. Methods of Nonlinear Programming **366**
25.1. Separable Programming 366
25.2. Kelley's Cutting Plane Method 374
25.3. Zoutendijk's Method of Feasible Directions 379
25.4. Rosen's Gradient Projection Method 394
25.5. Wolfe's Reduced Gradient Method 403
25.6. Zangwill's Convex Simplex Method 409

25.7. Dantzig's Method for Convex Programs 414
25.8. Exercises 418

26. Duality in Nonlinear Programming 423
26.1. Introduction 423
26.2. Duality Theorems 423
26.3. Special Cases 426

27. Stochastic Programming 431
27.1. Introduction 431
27.2. General Stochastic Linear Program [422, 423] 434
27.3. The Sochastic Objective Function 438
27.4. The General Case 454
27.5. Exercises 459

28. Some Special Topics in Mathematical Programming 462
28.1. Goal Programming 462
28.2. Multiple Objective Linear Programming 467
28.3. Fractional Programming 479
28.4. Exercises 497

29. Dynamic Programming 502
29.1. Introduction 502
29.2. Basic Features of Dynamic Programming Problems and the Principle of Optimality 502
29.3. The Functional Equation 503
29.4. Cargo Loading Problem 504
29.5. Forward and Backward Computations, Sensitivity Analysis 507
29.6. Shortest Route Problem 507
29.7. Investment Planning 509
29.8. Inventory Problem 512
29.9. Reliability Problem 515
29.10. Cases where Decision Variables are Continuous 516
29.11. The Problem of Dimensionality 519
29.12. Reduction in Dimensionality 523
29.13. Stochastic Dynamic Programming 526
29.14. Infinite Stage Process 528
29.15. Exercises 529

Bibliography **534**

Index **567**